

1992

State of Utah v. William D. Peterson, II. Peterson : Brief of Appellant

Utah Court of Appeals

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Jan Graham; Utah Attorney General; Brent A. Burnett; Assistant Attorney General; Attorneys for Appellee.

William D. Peterson; Appellant Pro Se.

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IN THE UTAH COURT OF APPEALS
State of Utah

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~~STATE NO. 920689CA~~
~~STATE OF UTAH~~

- Plaintiff & Appellee)

-vs-)

William D. Peterson, II)

- Defendant & Appellant)

UCA Case No. 920689-CA

priority 15

BRIEF OF APPELLANT

Appeal from the
Fourth Judicial Circuit Court, Utah County
Honorable E. Patrick McGuire, Presiding

WILLIAM D. PETERSON
Defendant/Appellant
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Plaintiff/Appellee

Pursuant to the provisions of Utah Rules of Appellant
Procedure - Rule 24 (a), Briefs, Rule 26, Filing and service, and
Rule 27, Form, the appellant files this brief.

BRIEF ON APPEAL, per ORDER ON REHEARING dated 10th February,
1993, which granted the petition and reinstated the appeal.

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FILED
Utah Court of Appeals

MAR 29 1993

Mary T. Noonan
Mary T. Noonan
Clerk of the Court

THE STATE OF UTAH)
- Plaintiff & Appellee)
)
-vs-)
)
William D. Peterson, II) UCA Case No. 920689-CA
- Defendant & Appellant)

Appeal from the
Fourth Judicial Circuit Court, Utah County
Honorable E. Patrick McGuire, Presiding

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Plaintiff/Appellee

BRIEF ON APPEAL, per ORDER ON REHEARING dated 10th February, 1993, which granted the petition and reinstated the appeal.

1

BRIEF

1.0 PARTIES TO THE APPEAL

1.1 Plaintiff:

a) State of Utah

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Attorney General
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Assistant Attorney General

236 State Capitol
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Telephone: (801) 538-1016

1.2 Defendant:

a) William Donald Peterson II, pro se

1.3 Others:

The State of Utah has charged defendant with "carrying on" while not paying license fees and taxes, and defendant counterclaimed his defense that the state is "carrying on" while not paying for its obligations to the defendant.

The State learned and knew that they had engaged a swindling contractor, the Argee Corp., who did not pay their subs, defendant included. Yet, the State failed to get the project's subs paid.

Other parties damaging defendant include State's Assistant Attorney General - bad bond, Department of Health - withholding information, slander and failure to pay for defendant's properties, Department of Commerce, Division of Corporation - seizure of defendant's corporate filings while failing to see and adhere to directives of defendant's officers and directors, instead being swayed by conflictively representing attorney/notary John P. Sampson, who unlawfully represented Peterson to influenced and perpetuated fraud to attempt transfers of Peterson's assets to conflicting other clients Robert Mouritsen and John McSweeney.

The State of Utah obtained a judgement obligating the defendant for child support payments, monies which he does not have, because of damages of slander of defendant professional abilities by the plaintiff, and because of the plaintiff's failure to pay for defendant's properties taken from the defendant and used by the plaintiff without payment (which caused his problems and divorce). In these, plaintiff is postured in default for \$16.2 M in other case matters as well as this case matter, for the ruin of defendant's business, his family, and his marriage.

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3.1 United States Constitutional Authorities - USC

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- 3.1.2 USC ARTICLE IV - right to be secure against seizures of
papers ref pgs 7,8,14
- 3.1.3 USC ARTICLE V - property may not be taken for public
use without just compensation. 7,8,9,12,13,14,22,23,26
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- 3.1.4 USC ARTICLE VII - defendant is entitled to trial by
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3.2 Utah Constitutional Authorities - UTC

- 3.2.1 UTC Art VII Sec 16 - AG is plaintiff's atty. ref pg 10
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3.3 State of Utah Judicial Code - JC

- 3.3.1 JC 78-51-26 - Duty of attorneys ref pg 11
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3.4 Utah Rules of Civil Procedure - RCP

- 3.4.1 Rule 1(a) **Scope of rules.** RCP shall govern the
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- 3.4.2 Rule 8(c) - a defense may be a counterclaim or a
counterclaim may be a defense ref pgs 7,22,26
- 3.4.3 Rule 8(d) - **Effect of failure to deny.** Averments are
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- 3.4.4 Rule 12(a) - a cross-claim is answered within twenty
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- 3.4.5 Rule 13(f) - A pleading may state as a cross-claim
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3.4.6 Rule 13(h) - Judgement on a counterclaim may be rendered, even if the claims of the opposing party have been otherwise disposed of ref pgs 7,22,23,26

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3.4.12 Rule 55(e) - Defendant's right to default judgment and relief is by USC Art 1 and other laws indicated; otherwise, this rule is unconstitutional pgs 23,26

3.5 Utah Rules of Appellate Procedure - URAP

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3.6 State Law Authorities - Title

3.6.1 Title 14, chapter 1, section 7 - Liability of State for failure to obtain a payment bond. ref pgs 13,16,21,22,23,26

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3.6.4 Title 63, chapter 56, section 38 - Bonds necessary when contract is awarded. ref pgs 13,16,22,23,26

3.7 Contract Authorities

- 3.7.1 VITRO Project Manual, CONTRACT pg I-35, par 4 -
Department commitment to pay contractor as provided in
specifications. Ref pgs 13,20,24
- 3.7.2 Liabilities shall be determined in accordance with
provisions. Ref pgs 13,20,24
- 3.7.3 Project "BOND" documents specifically exempt Argee from
requirements of payment. Ref pgs 13,20

3.8 Contract law

- 3.8.3 Payment requirements, cases and references, relating to
obligation to pay for contracted work having problems
including changes and new information, see appendix
Contract Law. Ref pgs 13,14

4.0 JURISDICTION OF THE COURT OF APPEALS

1. JURISDICTION to hear this appeal is conferred on this
court by Utah Code Annotated, 1953, Sec 78-2a-3, subsections
(1)(a), (1)(b) and (2)(d).

2. The appellant has filed a related docketing statement
pursuant to the provisions of Rule 9 of the Utah Rules of
Appellate Procedure.

5.0 ISSUES PRESENTED FOR REVIEW

5.1 PLAINTIFF IS IN DEFAULT FOR FAILURE TO ANSWER
DEFENDANT'S COMPLAINT AND DEFENDANT IS ENTITLED TO JUDGMENT

5.1.1 The immediate issue is that the clerks and judges
of the court must recognize the default of the plaintiff in his
failure to answer to the complaint of the defendant, and a clerk

or judge of the court must enter default judgment against the plaintiff for his failure to answer - Authority Standard - RCP 55(a)(1),(b)1,(b)2.

5.1.2 The defendant is entitled to lawful trial and his defense as given per articles of the Constitution of the United States - USC Arts I, IV, V, and VII.

5.1.3 The defendant is entitled and cannot be denied his defense in his petition to the State Government of Utah for a regress of grievance - per USC Art I.

5.1.4 The defendant is entitled to justice and judgement for his counterclaim as a matter of law but stands deprived of judgment for his complaint without reason of law - RCP 55(A)(1).

5.1.5 The plaintiff failed to answer to the defendant's defense/counterclaim and the defendant is entitled to judgement - per RCP Rules 8(c), 12(a), 13(f), 13(h), and 55(a).

5.2 - 5.9 EXTENUATING ISSUES

5.2 ISSUE OF THE SUPPRESSING OF DEFENDANT'S DEFENSE IN HIS TRIAL

5.2.1 When the matter was transferred from the Justice court to the Circuit court all the papers of the defendants defense were withheld, not transferred - USC Art IV, RCP 13(k).

5.2.2 Ten papers of the defendant's defense filed by the defendant in the Justice court were withheld, not transferred, not put into the file of the Circuit court and not on the docket

list of the Circuit court - USC Art IV, RCP 13(k).

5.2.3 The defendant was unlawfully given trial in the justice court without his defense, even without his presence or representation - USC Arts V, VI and VII.

5.2.4 The defendant appealed the matter, which by law, RCP 13(k), should have stayed the court's proceedings, his appeal was unlawfully suppressed until trial was held, then his appeal was entered after the trial - USC Art IV, and V.

5.2.5 Proceedings were stayed, both the attorney and the clerk of the court were served with the notice of appeal two hours before the scheduled time of the trial - RCP 13(k).

5.2.6 With his defense seized, it was necessary for the defendant to take his action of appeal, wherein the trial was scheduled and also would have been held without the defendant's defense in the court USC Art IV, RCP 13(k).

5.2.7 The record of filings into the circuit court shows that the defendant's defense was not present and that his appeal from trial was suppressed (seized) - USC Art IV, RCP 13(k).

5.2.8 The effect of the removal and suppression of the defendant's papers was to obtain trial and conviction to the defendant without him having his defense - USC Art V.

5.2.9 At issue, is the appellant's right for a trial by jury, and judgment in his favor, which has been numerously denied, even denied wherein defendant's complaint has not been answered, denied by the interfering of the plaintiff's attorney

with court, denied in five courts - Authority Standard - USC Arts V and VII.

**5.3 ISSUE OF PLAINTIFF'S ATTORNEY INTERFERING WITH
DEFENDANT FILING OF HIS PAPERS IN THE COURT.**

5.3.1 The attorney for the plaintiff has unlawfully interfered with the defendant's filings of his papers with clerk of the court and has effectively denied the defendant fair and lawful trial.

5.3.1 The attorney for the plaintiff wrongfully and abusively ordered the clerk of the court not to deal with the defendant, not to accept and execute his filings.

5.3.3 The attorney for the plaintiff further order the clerk of the court to have the defendant expelled from the public office of the clerk of the court.

5.3.4 The attorney for the plaintiff initiated an expulsion of the defendant by ordering the clerk of the court to call the Utah County Sheriff to have the defendant expelled.

5.3.5 The attorney for the plaintiff ordered the clerk of the court not execute a document before her which execution was required according the Utah Rules of Civil Procedure.

5.3.6 The attorney for the plaintiff represented that he had met with Judge Alyse Sigman in the matter of the defendant, without the defendant or his representative in attendance, and that in his meeting with Judge Sigman she had rendered a judgment

of defendant's court filings, that the clerk was not to deal with the defendant.

5.3.7 The attorney for the plaintiff represented that he had the authority of Judge Alyse Sigman in ordering that the clerk of the court not execute papers which were lawfully before her for execution.

5.3.8 The plaintiff by the actions of his attorney has preadjusted the clerk of the court to not execute a judgment for the defendant rightfully before the clerk of the court and ripe for entry of judgment and execution.

5.3.9 The default remains not executed.

5.4 Questions of Plaintiff's Partnership with Public Prosecutor

In defendant Peterson's situation of weakness from not having his operating capital due to not being paid for the Vitro work, business advisor Robert Mouritsen instigated conflicts of interest by insertions of his attorney John Sampson as Peterson's and his businesses' attorney. In view of the history of these problems, defendant Peterson seeks an understanding of the representations of plaintiff's attorney Ben Davis.

Defendant recognizes, as stated in UTC Art VII Sec 16, that "the Attorney General is the legal adviser of the State officers." In this matter, defendant Peterson has served all papers on both attorney Davis and the office of the Attorney General. Defendant Peterson makes the following observations:

5.4.1 Attorney Ben Davis is listed as COUNTY ATTORNEY as stated on the mailing certificate of the 10th of July 1992 "NOTICE OF PRE-TRIAL CONFERENCE" Third party defendant . By his discharge of duty attorney Davis is apparently the State of Utah's Public Prosecutor in the Justice Court of Judge Alyse Sigman and the State's Prosecutor in this matter - UTC Art VIII Sec 16.

5.4.2 Stated on the Utah County Justice Court July 22, 1992 Docket No. 3 attorney Ben Davis is listed as "ATTORNEY FOR THE STATE". Stated on the Fourth District Court "NOTICE" of Sept 8, 1992, attorney Ben Davis is listed as "ATTORNEY FOR THE PLAINTIFF". UTC Art VIII Sec 16 states " Public prosecutors shall be elected in a manner provided by statute, and shall be admitted to practice law in Utah" - UTC Art VIII.

5.4.3 The first duties of attorneys or counselors is - to support the Constitution and the laws of the United States and of this state, and to maintain the respect due to the courts of justice and judicial officers - Utah Code 78-51-26.

5.4.4 A defending attorney and the prosecutor in a proceeding may not be associated - JC 78-51-30.

5.4.5 Defendant Peterson's understanding of JC 78-51-30 is as follows:

An attorney who ... advises ... or aids ... or promotes the defense of, any ... proceeding in any court, the prosecution of which is carried on, aided or promoted by a person as public prosecutor with whom such attorney is directly or indirectly connected as a partner ... is guilty

of a misdemeanor.

An attorney who ... having himself prosecuted ... any action ... as public prosecutor, afterwards ... takes any part in, the defense thereof as an attorney or otherwise ... upon any understanding or agreement whatever ... is guilty of a misdemeanor.

5.4.6 Attorney Ben Davis acting as the prosecutor and also as defending attorney for the plaintiff makes him associating himself as both the defending attorney and the prosecutor which is a misdemeanor - JC 78-51-30.

5.4.7 The Attorney General's office use of attorney Ben Davis as its attorney establishes a connection to the prosecutor which makes the plaintiff's attorney position a partnership with the public prosecutor which is a misdemeanor - JC 78-51-30.

5.5 ISSUES OF "CARRYING ON" GOVERNMENT AND CITIZEN ACTIVITIES

5.5.1 At issue is the State of Utah "carrying on" its governmental affairs of regulation and taxation while at the same time its ignoring of the constitutional rights and entitlement of a citizen for him to "carry on". The plaintiff has charged the defendant with "carrying on" while not paying fees and taxes, and defendant counterclaimed his defense that the state is "carrying on" while not paying for its obligations to the defendant - USC Art V.

5.5.2 The defendant has shown his constitution given lawful rights to "carry on" and his entitlement for his

properties. The plaintiff has failed to show its lawful right to "carry on" while damaging and taking from the defendant without payment - USC Art V.

5.6 ISSUES OF DEFENDANT'S RIGHT OF HIS PROPERTIES

5.6.1 At issue, is the appellant's right for payment for his property taken and used for public use - Ath Std - USC Art V.

5.6.2 At issue, is the appellant's right for payment for his work wherein the plaintiff did order work, but withheld information needed to perform said work, then made changes and additions - Authority Standards - see addendum contract law in appendix (6 pages).

5.6.3 At issue, is the appellant's right for payment for his work wherein the government entity, the State of Utah failed to provide a timely and proper payment bond as the law required, when work was commenced, as discovered by the contractor when he sought for payment. - Authority Standards - Utah laws Title 14, chapter 1, section 7 and 15 - Liability of State for failure to obtain payment bond, Title 63, chapter 56, Sec. 38 - Bonds necessary when contract is awarded, and Article V of the Constitution of the United States which requires that private property cannot be taken for public use without just compensation.

5.7 ISSUE OF THE UNCONSTITUTIONAL SEIZURE OF DEFENDANT'S PAPERS

5.7.1 Defendant as owner of Utah Corp 118115, with his corporate directors filed a merger of Corp 118115 in to Corp 137734 per Utah Corporation Laws and Uniform Commercial Code 16-10-66. Defendant's merger papers were unlawfully seized by the plaintiff and remain seized, putting the merger question - USC Art IV.

5.7.2 The corporations 118115 and 137734 were lawfully merged to stop the repeated filings of invaders Robert Mouritsen and John McSweeney in defendant's business, Corporation 118115.

The plaintiff's seizure of defendant's merger papers was effectively a unlawful seizure of the defendant's defense to stop Robert Mouritsen and John McSweeney's theft of defendant's properties - USC Art IV, V.

5.8 AT ISSUE IS THE DAMAGE TO DEFENDANT CAUSED BY PLAINTIFF'S ERROR

5.8.1 Plaintiff's Contractor charged plaintiff with problems relative to plaintiff's failure to provide information to the Contractor. Defendant was unrightfully blamed, slandered, and not paid because of the plaintiff's error. The defendant was blamed for errors and problems of the owner. The plaintiff is responsible to the defendant for the losses and costs incurred by the defendant due to the errors of the plaintiff - Authority Standard - See Addendum Contract Law.

**5.9 AT ISSUE IS THE UNCONSTITUTIONAL (MISMANAGEMENT)
DEFICIT OPERATION OF THE GOVERNMENT**

5.9.1 The government should not be denying constitutionally owning monies because of its financial woes. The government is deeply in debt because the nations unconstitutional, unregulated, imbalance of trade. (See defendant's enclosed plan for deficit recovery - copy rights retained). Our nation cannot consume more than it produces and not have consequential debt. The defendant has found the deficit to be a consequence to our nation's imbalance of trade. Better value purchases do not compensate for this national operation flaw. The State of Utah should not have contracted with an Australian company, the Argee Corporation. The Congress is responsible for the lack of regulation which has allowed the deficit to occur. - Authority Standard - USC Article I Section 8, parts 3 and 5. - The Congress shall ... regulate commerce with foreign nations ... coin money, regulate the value thereof, and of foreign coin, and fix the standards of weights and measures.

5.10 Rhetoric on ISSUES and Supporting Authority

The appellant maintains that he has certain rights of law including a right for a trial between the conflictive parties per ARTICLE VII of the U.S. Constitution. The appellant maintains that he is entitled to just compensation for his property taken and used for public use per ARTICLE V of the U.S. Constitution.

The defendant was then and is still now situated in this matter where judgment has been made upon him without support of law wherein defendant is entitled to the benefits of judgment as a matter of law: Title 14, chapter 1, section 7 and 15 - Liability of State for failure to obtain payment bond, Title 63, chapter 56, Sec. 38 - Bonds necessary when contract is awarded, and Article V of the Constitution of the United States which requires that private property cannot be taken for public use without just compensation. Defendant is entitled as a matter of law and stands denied judgment without reason or process of law.

6.0 DETERMINATIVE PROVISIONS, STATUTES, ORDINANCES, & RULES

cases alphabetically, laws, rules, statutes laws numerically

6.1 United States Constitutional Authorities USC

- 6.1.1 USC ARTICLE I - Congress shall make no law respecting ... to petition the government for a redress of grievances, i.e. - (the right to assert for losses - property taken, damages, and the right to assert a defense).
- 6.1.2 USC ARTICLE IV - The rights of the people to be secure in their persons ..., papers and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched, and persons or things to be seized.
- 6.1.3 USC ARTICLE V - No person ... shall be deprived of ... liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation.
- 6.1.4 USC ARTICLE VI - In all criminal prosecutions, the accused shall enjoy the right to a speedy and public

trial, by an impartial jury ... and have the Assistance of Counsel for his defence.

- 6.1.5 USC ARTICLE VII - In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved

6.2 Utah Constitutional Authorities - UTC

- 6.2.1 UTC Art VII Sec 16 - the Attorney General is the legal adviser of the State officers.

- 6.2.2 UTC Art VIII Sec 16 - Public prosecutors shall be elected in a manner provided by statute, and shall be admitted to practice law in Utah

6.3 State of Utah Judicial Code - JC

- 6.3.1 JC 78-51-26 - duties of attorneys or counselors is - to support the Constitution and the laws

- 6.3.2 JC 78-51-30 - An attorney's partnership with a prosecutor is a misdemeanor.

6.4 Utah Rules of Civil Procedure - RCP

- 6.4.1 Rule 1(a) Scope of rules. These rules shall govern the procedure in the Supreme Court, the district courts, the circuit courts, and the justice courts of the state of Utah in all actions, suits, and proceedings of a civil nature ... They shall be liberally construed to secure the just, speedy, and inexpensive determination of every action.

- 6.4.2 Rule 8(c) of Utah Rules of Civil Procedure - When a party has ... designated a defense as a counterclaim or a counterclaim as a defense, the court ... shall treat the pleading as if there had been a proper designation.

- 6.4.3 Rule 8(d) - Effect of failure to deny. Averments in a pleading to which a responsive pleading is required, other than those as to the amount of damage, are admitted when not denied in the responsive pleading.

- 6.4.4 Rule 12(a) of Utah Rules of Civil Procedure - A party served with a pleading stating a cross-claim against him shall serve an answer thereto within

twenty days after the service upon him.

- 6.4.5 Rule 13(f) of Utah Rules of Civil Procedure - A pleading may state as a cross-claim any claim by one party against a co-party ... Such cross-claim may include a claim that the party against whom it is asserted is or may be liable to the cross-claimant ...
- 6.4.6 Rule 13(h) of Utah Rules of Civil Procedure - Judgement on a counterclaim or cross-claim may be rendered in accordance with the terms of Rule 54(b), even if the claims of the opposing party have been dismissed or otherwise disposed of.
- 6.4.7 Rule 13(k) - Appeal stays proceedings
- 6.4.8 Rule 54(c)(2) **Judgment by default.** A judgment by default shall not be different in kind from, or exceed in amount, that specifically prayed for in the demand for judgment.
- 6.4.9 Rule 55(a)(1) of Utah Rules of Civil Procedure - When a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend as provided by these rules and that fact is made to appear the clerk shall enter his default.
- 6.4.10 Rule 55(b)(1) Judgement by default may be entered by the clerk.
- 6.4.11 Rule 55(b)(2) Judgement by default may be entered by the court.
- 6.4.12 Rule 55(e) No judgment by default shall be entered against the state of Utah or against an officer or agency thereof unless the claimant establishes his claim or right to relief by evidence satisfactory to the court. (For establishment of Defendant's claim and rights to relief, see USC Art 1, other laws above, addendum law, all proceedings referenced to herein and proceedings referenced in the DOCKETING STATEMENT including proceedings between defendant and plaintiff, between defendant and Mouritsen, McSweeney, and Sampson, between Peterson and Peterson, and between Peterson and PEMCO and the Argee Corporation)

6.5 Utah Rules of Appellate Procedure

6.5.1 Rule 24 (a), - Brief of the appellant

6.5.2 Rule 24 (i) - Parties may join in a single Brief

6.5.2 Rule 26 - Filing and Service of Briefs

6.5.3 Rule 27 - Form of Brief

6.6 Applicable State of Utah Statutes

6.6.1 Title 14, chapter 1, section 7 - Liability of public body for failure to obtain payment bond. requires that:

Any public body subject to this act which shall fail or neglect to obtain the delivery of the payment bond as required by this act, shall, upon demand, itself promptly make payment to all persons who have supplied materials or performed labor in the prosecution of the work under the contract, and any such creditor shall have a direct right of action upon his account against such public body in any court having jurisdiction in the county in which the contract was to be performed and executed which action shall be commenced with one year after the furnishing of materials or labor.

6.6.2 Title 14, chapter 1, section 15 - Liability of state or political subdivision failing to obtain bond. requires that:

If the state or one of its political subdivisions fails to obtain a payment bond, it shall, upon demand by a person who has supplied materials or performed labor under the applicable contract, promptly make payment to that person, and the creditor shall have a direct right of action on his account against the appropriate political entity in any court having jurisdiction in the count in which the contract was to be performed. The action shall be commenced within one year after furnishing of materials or labor.

6.6.3 Title 14, chapter 2, section 2 - Failure to require bond - Direct liability - Limitation of actions. requires that:

Any person subject to the provisions of this chapter, who shall fail to obtain such good and sufficient bond, or to exhibit the same, as herein required, shall be personally

liable to all persons who have furnished materials or performed labor under the contract for the reasonable value of such materials furnished or labor performed, not exceeding, however in any case the prices agreed upon. Actions to recover on such liability shall be commenced within one year from the last date the last materials were furnished or the labor performed.

6.6.4 Title 63, chapter 56, Sec. 38 - Bonds necessary when contract is awarded. requires that:

(1) When a construction contract is awarded, the following bonds or security shall be delivered to the state and shall become binding on the parties upon the execution of the contract:

(b) a payment bond satisfactory to the state, in an amount equal to 100% of the price specified in the contract, executed by a surety company authorized to do business in this state or any other form satisfactory to the state, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract.

6.7 Applicable "VITRO" Contract Provisions

6.7.1 VITRO Project Manual, CONTRACT pg I-35, par 4 - commitment to pay contractor as provided in specifications, requirement is in writing by the original "Project Manual".

"In consideration of the foregoing premises, the Department agrees to pay to Contractor in the manner and in the amount provided in the said specifications and proposal."

6.7.2 The PERFORMANCE BOND section of the State's Vitro Project Manual cites (Title 14, Chapter 1, Utah Code Annotated 1953) further stating:

"and all liabilities on this bond shall be determined in accordance with said provisions to the same extent as if it were copied at length herein."

6.7.3 Furthermore, the project "BOND" documents specifically

exempt Argee from requirements of payment bonding and paying their subcontractors.

"NOW, THEREFORE, the condition of this obligation is such that if the said Principal shall faithfully perform the contract in accordance with the plans, specifications, and conditions thereof, then this obligation shall be void: otherwise to remain in full force and effect."

REF: Title 14, Chapter 1, Utah Code Annotated 1953 requires that if a subcontractor is not adequately paid by the general contractor which he is working for, then the State is obligated to pay the subcontractor for his costs of doing work.

Note: The repealing of a section of law does not void its usage as wordage, definition, description and requirement.

6.8 Contract Authorities

- 6.8.1 VITRO Project Manual, CONTRACT pg I-35, par 4 - Department commitment to pay contractor as provided in specifications.
- 6.8.2 Liabilities shall be determined in accordance with provisions.
- 6.8.3 Project "BOND" documents specifically exempt Argee from requirements of payment.

6.9 Contract law

- 6.9.3 Payment requirements, cases and references, relating to obligation to pay for contracted work having problems including changes and new information, see appendix Contract Law.

7.0 **STATEMENT OF THE CASE**

7.1 Brief Statement of Nature of the Case

7.1.1 A multitude of the plaintiff's agents trapped, searched, and charged the defendant for any offense which they

could find of him. In his defense, the defendant likewise charged the plaintiff for offenses against him per USC Art I.

7.1.2 The plaintiff's service of his complaint states that the plaintiff's agent complains of an "offense" - 41-1-18.

7.1.3 Said vehicle was certainly registered to the defendant. 41-1-18(1)(b) states an issue "for which the appropriate fee has not been paid as required ...".

7.1.4 The defendant counters that a portion of the \$16.2 M owing him from the plaintiff should suffice for the fee and taxes owing by him on said vehicle. And while straightening out the taxes, the balance of the \$16.2 M owing the defendant needs to be paid to the defendant.

7.2 Course of the Proceedings

7.2.1 The defendant's defense/counter-complaint has been served upon the plaintiff a number of times in both the Justice Court and in the court of Utah Court of Appeals.

7.2.2 The plaintiff has failed to answer to all the defendant's counter-complaints.

7.2.3 The defendant is entitled to his defense and is entitled to make his counter-complaint per USC Art I, USC Art VII, RCP 1(a), RCP 12(a), RCP 13(f) and Title 14, chapter 1, section 7; Title 14, chapter 1, section 15; Title 14, chapter 2, section 2; Title 63, chapter 56, section 38.

7.2.4 The defendant is entitled to his judgement of the plaintiff per USC Art V, RCP 1(a), RCP 8(c), RCP 8(d), RCP 13(h),

RCP 54(c)(2), RCP 55(a)(1), RCP 55(b)(1), RCP 55(b)(2), RCP 55(e), and Title 14, chapter 1, section 7; Title 14, chapter 1, section 15; Title 14, chapter 2, section 2; Title 63, chapter 56, section 38.

7.2.5 The defendant has made a multiple number of motions for default judgment for the plaintiff's failure to answer to the defendants counter-complaints.

7.2.6 The plaintiff's attorney has complained that his complaint is of a criminal offense nature, while defendant's complaint is of a civil offense nature and that they don't go together.

7.2.7 In his defense, the plaintiff has quoted no law to support his defense, and the defendant finds the plaintiff's defense contrary to USC Art I, USC Art V, RCP 8(c), RCP 13(f), RCP 13(h)

7.2.8 The plaintiff's defense would disallow the defendant to assert a defense and disallow the defendant his rights to assert his grievance, contrary to USC Art I.

7.2.9 Note, the defendant asserted his complaint first. The plaintiff is postured in multitude of defaults in a multitude of court actions for \$16.2 M owing to the plaintiff.

7.2.10 In reference, If correctly understood, Rodney King was charged by the Los Angeles Police with a criminal offense, and his counter-complaint is his denial of his civil rights. Is this defendant entitled less to his defense than Rodney King.

7.3 Interference and Threats of Plaintiff's Attorney

7.3.1 The plaintiff's attorney interfered with the defendant's prosecution of this matter.

7.3.2 The plaintiff's attorney interfered with the defendant's filings of papers in the court's filing office.

7.3.3 The plaintiff's attorney exerted duress and threats upon the defendant and the clerk of the court.

7.3.4 The plaintiff's attorney told the clerk of the court not to listen to the defendant and to have him leave.

7.3.5 When the defendant did not leave the public court office by the threats of the plaintiff's attorney. The plaintiff's attorney left and momentarily returned stating that he was conveying an ordered of the Justice Judge that if the defendant did not depart the clerk was to call the Sheriff and have the defendant expelled.

7.3.5 The above occurred when the plaintiff's attorney observe the defendant filing a "Notice of Failure to Plead or Defend to Enter Default".

7.3.6 The defendant first complained to the plaintiff of his problems in July of 1985.

7.3.7 The defendant brought to the attention of the plaintiff problems existing and extending from their contractor.

7.3.8 Instead of working with the defendant and the other subs to get them paid, the plaintiff have remained behind his attorney's avoiding the issue.

7.3.9 As far as the defendant knows, the only subs paid by the Argee Corp had to bring suite and collect through the court.

7.3.10 The plaintiff's knows the problems of the subs. Articles appeared in the paper about the two major subs - the Union Pacific and Rio Grande railroads who brought suite for approximately \$20 M to get paid for their transport of the tailings. Others known not to be paid include the supplier of the fill material - Pioneer Sand and Gravel. Truck haulers including Archeleta, Percival, and Bonneville. Jack Adams, Argee Manager confided in the defendant, that when the Australian owned Argee Corp company enters an area with a new contract, the first people they hire is the best law firm in town.

7.3.11 The defendant realizes the financial strife and problems of the nations deficit. The defendant has wondered why so many turn their backs when so many are being hurt so bad financially. Consequently five years ago, the defendant, an operations research engineer sought to understand the macro-economics of our country and determine why we are so troubled financially and what is required to bring recovery from deficit. A copy of the defendant's plan for deficit recovery is included as a part of this brief as an assertion by the defendant that this nations should not be suffering from financial woes.

8.0 SUMMARY OF THE ARGUMENT

8.1 The plaintiff has complained, the defendant has answered and made a defense and counter-complaint per entitlement per USC Art I, USC Art VII, RCP 1(a), RCP 12(a), RCP 13(f) and Title 14, chapter 1, section 7; Title 14, chapter 1, section 15; Title 14, chapter 2, section 2; Title 63, chapter 56, section 38.

8.2 The plaintiff has fail to answer and the defendant's counter complaint is deemed admitted per USC Art V, RCP 1(a), RCP 8(c), RCP 8(d), RCP 13(h), RCP 54(c)(2), RCP 55(a)(1), RCP 55(b)(1), RCP 55(b)(2), RCP 55(e), and Title 14, chapter 1, section 7; Title 14, chapter 1, section 15; Title 14, chapter 2, section 2; Title 63, chapter 56, section 38.

8.3 The defendant is entitled to judgement for \$16.2 M against the plaintiff per RCPs - 8(d), 12(a), 13(h), 54(c)(2), 55(a)(1), 55(b)(1), 55(b)(2), and 55(e).

8.4 Likewise, third party defendant Davis has been served with a counter-complaint, his complaint is unanswered and deemed admitted, and he is postured for default judgment, ref Rule 24 (i).

8.5 Plaintiff may deduct fees and taxes determined owing by the defendant from the \$16.2 M plaintiff owes defendant.

8.6 The Plaintiff should reinstate the Corp 118115 papers it seized from Utah Dept of Commerce, Division of Corporations.

9.0 DETAILS OF THE ARGUMENT

9.1 For nearly eight years now, the defendant has been seeking payment for his work on the Government paid project of moving the Vitro tailings.

9.2 The defendant purchased a railroad roll-over dumper in Chillicothe Ohio, had it dismantled, shipped, reassembled, and installed at Clive Utah, and got it operating. All this in the phenomenal time of only three (3) months. Kennecott, for example, budgeted several years to do the same feat, i.e. the rollover car dumpers in their Bonneville plant.

9.3 The defendant foot the bill for this work but has been paid nothing for it, worse yet, because of his plaintiff caused circumstances, the defendant has been pilfered and robbed to the extent of \$6.2 M in his working assets and the destruction of his family and marriage which he has put a value on of \$10 M, which now represent the defendant's costs for supplying is property to the plaintiff.

9.4 The plaintiff has not questioned or challenged the defendant's expressed costs of furnishing property to the plaintiff.

9.5 The plaintiff has since asserted various charges against the defendant all of which the defendant asserted his defense of not being paid what is owing to him from the plaintiff.

9.6 Only in current matter before Judge Stirba has the

plaintiff answered to the defendant's complaint.

9.7 In all others the plaintiff is postured in a default judgement. The most glaring being in the court of Judge Young where the plaintiff sued for demobilization of the tailings moving equipment where the defendant countered that he would not continue working without payment.

9.8 There appears to be a general attitude that the plaintiff and the courts are one and the same entity.

9.9 In Provo, the Justice Court and Circuit Court have an appearance of being run by plaintiff's attorney Ben Davis.

9.10 Third party defendant Davis's actions in attempting to expel the defendant from the clerk's office, purporting the authority of Judge Sigman was a demonstration of the authority in the court attorney Davis purports to wheel.

9.11 In defendant's court hearing before Justice Judge Sigman, she appeared confused in how to handle a matter where a defendant put forth a defense, especially a counter-complaint.

9.12 Judge Sigman agreed to transfer the matter to a court of jurisdiction, i.e., over \$20,000.

9.13 The defendant thought the matter should have been forwarded to the District Court. Actually, the matter should have gone directly to this court, the Court of Appeals.

9.14 Why the matter was transferred to the Circuit court was probably the doings of third party defendant attorney Davis.

9.15 How the matter got to the Circuit court without the defendant defense and counter-complaint (10 papers of the matter), was probably the doings of third party defendant Davis.

9.16 Third party defendant Davis got the matter set for a (10 minute) trial knowing that he had held out the defendant's defense and counter-complaints against the plaintiff and against him, the plaintiff's attorney.

9.17 The courts have the appearance of being a front for assembly line tax collection for the plaintiff, instead of a justice levying system.

9.18 As government entities struggle for survival in our deficit economy, our government has found that it is basically not possible to extract enough taxes from its populace to support the operations of its governments.

9.19 In this squeeze, the government funded court system appears to yielding to an allegiance to the government cause which makes the court systems prejudiced to the plaintiff.

9.20 The defendant, an operations research engineer, in years of personal studies, has modeled the U.S. macro-economy and has found basic flaws in the national economy and has determined that the national economy cannot recover as it is presently being allowed to operate. (see Peterson's inclosed solution to deficit). authority USC Art I.

9.20 The new heading of President Clinton will only accelerate the problem and severely more tighten money.

10. CONCLUSION

10.1 The plaintiff has expressed a grievance of the defendant; and, the defendant has expressed his grievance of the plaintiff.

10.2 Both grievances are deemed admitted and are postured by law for judgement by the court and entitled to payment.

10.3 The defendant petitions that the court ordered the plaintiff to the pay the defendant the \$16,200,000 he owes the defendant, deducting the \$40 the defendant owes to the plaintiff.

10.4 The defendant likewise petitions for judgment of the third party defendant, attorney Davis.

10.5 The defendant seeks that the court order the plaintiff to reinstate the corporate 118115 papers it seized out of Utah Department of Commerce, Division of Corporations.

10.6 In this action, the defendant has brought forth his grievance of the macro-economy of our nation.

10.7 This court cannot act specifically on this very major national and world problem of developing a standard by which all can live peacefully and comfortably together; but,

10.8 This defendant has had a life time of working on problems passed over by others. This defendant is committed to do something (offer a solution) to the world macro-economic problem.

10.9 The defendant petitions that the court take action

Utah Court of Appeals
March 29, 1993

APPELLANT'S BRIEF
Utah -vs- Peterson

and resolve the immediate incidental conflict between Peterson and Utah and free Peterson to proceed to with solving the more weighty problems he seeks solutions to.

11.0 SIGNATURE

This matter is properly adjudicated. This matter is now ripe for entry of default by the clerks and judges of the court.

Dated this 29th day of March, 1993.


William D. Peterson, Defendant

CERTIFICATE OF DELIVERY

This is to certify that a true and correct copy of the foregoing are being delivered - at the office of the Attorney General, State Capital building in Salt Lake City, Utah, per rule 5 (b)1 and rule 4 (e)(9), or - by deposit in the U.S. Mail with first class postage affixed, addressed to:

Attorney General
236 State Capitol
SLC, Utah 84114

for Attorneys for Plaintiff and third party Defendant

JAN GRAHAM - #1231
Attorney General


BRENT A. BURNETT - #4004
Assistant Attorney General

DENISE CHANCELLOR, USB #5452
Assistant Attorney General

RICHARD K. RATHBURN, USB #5183
Assistant Attorney General

Ben Davis, Davis County Attorney
attorney for the Plaintiff, and
Third Party Defendant
100 East Center, Suite 2100
Provo, Utah 84606

Dated this 29th day of March, 1993.,



APPELLANT'S BRIEF
Utah -vs- Peterson & PEMCO

13.0 ADDENDUM

13.1 A former appeal in this case (also appealing for judgment for plaintiff's failure to answer), Supreme Court No. 900282 is still active. There was one other prior appeal related to this one, now before this Court, an appeal No. 900215 of the Judgment of Judge John Rokich in case # 50-265-1148 dated the 17th day of April 1990 in the Third Judicial District Court in and for Salt Lake County, State of Utah is appealed to this Supreme Court. This case relates in that this matter was also in the hands of representation of attorney John Sampson who mishandled it badly. Sampson's handling had an appearance of compromise and of washing matters under the table to rid Peterson to allow Sampson's other clients to take and steal Peterson's business from him while under the economic duress of the State of Utah for not being paid for his work while trying to maintain his obligations at home, in his family, and at his work. Action against these invaders (Mouritsen, McSweeney, and Sampson) has since been taken in the Court of Judge Brian in District Court, case No. 900905733PR.

13.2 Ref. See Attachments with DOCKETING STATEMENT as follows:

- a) Copy of the judgments of 5/12/90 and 10/11/90 appealed.
- b) No findings of the court were given.
- c) Notice of appeal - 5/22/90 and 10/16/90.

Motions denied, Judgment requested

- d) Motion for Judgment per Article V of Constitution of the United States - originally filed 4-12-90.
- e) Motion for Judgment per Utah law Title 14, chapter 1 sections 7 & 15 - originally filed 4-12-90.
- f) Motion for Judgment per Utah law Title 14, chapter 1, sections 7 & 15 - originally filed 4-12-90.
- g) Motion for Judgment for Fraud - originally filed 4-12-90.

Motion related to Supreme Court Case No. 900215

- h) Motion for Reinstatement of Documents filed in Division of Corporations.
- i) Summons and demand for answers - filed 8-10-90.
- j) Motion for Judgment & demand for answers - filed 8-31-90.
- k) Motion for default Judgment - filed 10-5-90.
- l) Memorandum in support of appeal from dismissal - 10-16-90.

13.3 Referenced Contract Law

1. The following particular references are made by the contractor to other particular law not otherwise referenced. Page references are made to Argee's contractual commitments as learned in discovery. These conditions are learned and thus presented by necessity due to the owner and his representatives's failure in advising directing or giving input to contractor as a condition of the contractor - Argee contract.

Vitro Uranium Mill Tailings Remedial Action Project

DE-FC04-81AL16309

2. Original Plan of Operation Dated Dec. 18, 1984
...Dump and stockpile tailings at Clive with
hopper/conveyor system...
3. Revised Plan of Operation Dated Nov. 19, 1985
...Dump tailings directly on the ground and load,
haul land place with scrapers... pg 1
4. Substantial additional cost savings will be realized by the State
and Federal agencies in having this Contract completed more than one
year earlier than anticipated. pg 2
5. ...the bid package specified that the tailings were to be
dewatered... pg 7
6. ...Owner representatives never suggested Argee's planned
methods of operation were not feasible, which it clearly would not be
in wet material... pg 12
7. ...Owner should have provided insitu moisture data which had
been accumulated during the soils investigation... pg 13

SUMMARY OF...CONTENTIONS

8. ...DIFFERING SITE CONDITIONS...(subcontractor)...is entitled
to equitable adjustment of the contract price because...latent physical
conditions that were encountered differed materially from those
indicated...(subcontractor) is entitled to recover because the contract
documents misrepresented conditions that would be encountered
... pg 14

CONTRACTUAL BASIS FOR ENTITLEMENT

9. ...Materially different...conditions found during construction which affect and require design changes shall be considered as a change in the scope of work... pg 16

ENTITLEMENT THEORIES

ENTITLEMENT BASED ON DIFFERING CONDITIONS

10. ...the contractor has been damaged as a result of the material variation between the expected and encountered conditions. John Collins, 26 CF 83110, 88,775 (Ct.Cl. 1979) pg 20

11. ...a list of equipment that (subcontractor) intended to use for a project and the Owner did not reject the list, the (subcontractor) could infer an "indication." Bolander v. United States, 13 CCF 82410, 87,864, 186 Ct.C. 398 (1968) pg 24

12. ...showing that a "planned method of construction [had] to be altered to accommodate the changed condition - a fact that can be demonstrated by showing that it was necessary to use different equipment," (citing State Road Dept. v. Houdaille Industries, 237 So. 2d 270 (Fla. 1970)) pg 26

13. ...The (subcontractor) is not required to do any of the following: hire a...expert,...conduct his own...soils analysis. Kaiser Industries Corp. v. United States, 340 F.2d 322, 330 (Ct.Cl. 1965); Pacific Western, 116045, McClure, supra, at 151; Stovk and Grove, 493 F.2d at 631.

14. ...The changed conditions clause makes it clear that bidders are to compute their bids...upon the basis of what is indicated and shown in the specifications and on the drawings. Foster, 435 F.2d at 887. pg 27

15. ...The bidder need not "look beyond the contract drawings and specifications." American Structures, ENG BCA No. 3410, 76-1, 11,683 at 55,743. pg 28

16. ...1) the contractor's "reliance must have been reasonable," Sklute, supra at 55 citing six cases in which reliance was held to be either reasonable or unreasonable; and 2), "it must have been the cause of his damages," Sklute, supra at 55 citing WRB Corp. v. U.S., 183 Ct.Cl. 409 (1968)

17. ARGEE,s revised plan, which was submitted in April, 1985, provided for rehandling and reworking the tailings at the Vitro site to

compensate for lack of drainage.

pg 30

18. ...the courts had used a two-part standard for determining contractor knowledge: 1) whether or not the contractor possessed information that would have alerted him to erroneous representation; and 2) whether or not such knowledge can be imputed to the contractor. Sklute, supra at 56

pg 31

ENTITLEMENT BASED ON MISREPRESENTATION

19. ..."misrepresentation involves situation in which the Owner erroneously represents the existence or nonexistence of a fact material to contract performance, upon which a (subcontractor) reasonably relies to his detriment." See Sklute, supra at 39...Sklute added that most cases that have claimed misrepresentation have involved implied representations, those that arise from the omission of data or the failure to provide complete data. Supra at 43.

pg 33

20. In Rangonese, the court found misrepresentation because the owner not only withheld information that would have warned the contractor of a certain...condition, but also had represented in the...documents that...information presented was the best available. Rangonese v. United States, 120 f.Supp. 768, 770 (1954)

21. A similar situation exists in (PEMCO/Peterson) fact pattern. (Argee) withheld (Bartkus and Associates) reports and documents that contained information bearing upon the...vital matter...

pg 34

22. "An inadvertent misrepresentation stemming from negligence is fully as damaging as a deliberate one to the party who relies on it to his detriment." Womack v. United States, 182 Ct.Cl. 399, 389 F.2d 793 (1968).

23. In calculating and designing (the material handling system, PEMCO/Peterson) relied to its detriment on Argee's misrepresentation (that the material being shipped would be dry, not oversized, in train loads not exceeding 100 tons, that the material handling system would be finished before expected to operate, and the system was to be operated per instructions of the engineer).

pg 35

ENTITLEMENT BASED ON BREACH OF DUTY TO DISCLOSE SUPERIOR KNOWLEDGE

24. As the test has developed through the years, the courts have focused on the concept of the (owner's) "superior knowledge" and the degree of difficulty the contractor faces in trying to obtain the knowledge from some other source. Sklute, supra, at 86. The two concepts are proportional - the greater the difficulty of obtaining the

knowledge from other sources, the greater the owners duty to disclose the information.

25. There are indications that the trend is toward a more expansive concept of duty to disclose than that originally expressed in Helene Curtis. In Power City Electric, Inc., IBCA No. 950-1-72, 10,376, at 49,005 (1973), the Board held:

26. When the (owner) enters into a contract, as part of its implied duty to help rather than hinder performance, it is obligated to provide the (subcontractor) with special knowledge in its possession which might aid the (subcontractor) in performing.

27. The courts and the Boards have taken an increasingly stringent attitude toward the withholding of information the disclosure of which would be likely to have a material effect on a contractor...

28. In this same case, the Board also held that "any possible duty of the appellant to make inquiry has been nullified by [the owner's] failure to disclose [superior knowledge]." Id., at 49,005.

29. Another indication of the trend is found in the American structures decision, in which the Board held that a (subcontractor) is under no obligation to consult reports that are not reasonably intended to be part of the contract documents. 76-1 BCA 11,683, at 55,743.

pg 38

ENTITLEMENT BASED ON OWNER'S BREACH OF IMPLIED WARRANTY

30. When the (owner) furnishes design specifications for a...project, it is "deemed by law to impliedly warrant that those plans and specifications are accurate and suitable for their intended use." Harrington, J., Thum and Clark, "The Owner's Warranty of the Plans and Specifications for a Construction Project," 14 Pub. Cont. L.J. 240, 241 (Feb. 1984).

31. If the plans turn out to be unsuitable, the contractor is entitled to relief for the extra costs incurred. The reasoning that underlies the policy is sound: the Owner should bear the cost when the Owner's design requirement has misled a contractor. State courts uniformly have endorsed this policy, which was originally articulated at the federal level. In a decision illustrative of the point, the California Supreme Court stated:

32. A contractor...who acting reasonably, is misled by incorrect plans and specifications issued by the [owner] as the basis for bids and who, as a result, submits a bid which is lower than he would have otherwise made may recover in a contract action for extra work or expenses necessitated by the conditions being other than as represented.

33. Harrington, supra, at 241, quoting Souza & McCue Construction Co. v. Superior Court, 370 P.2d 338, 339-40 (Cal. 1962).

34. The principle has usually been applied either when the completed structure is insufficient to meet the actual requirements, as in Kurland v. United Pacific Ins. Co., 59 Cal.Rptr. 258 (Cal. 1967) (where the air-conditioning system could not handle the demand);

35. or when the prescribed design or methods must be changed in order to successfully complete the structure. Harrington, supra, at 244. pg 40

ENTITLEMENT BASED ON MISREPRESENTATION

36. In a Board of Contract Appeals case involving a Utah contract, the contractor encountered unanticipated excessive moisture while reconstructing a road in the Wasatch National Forest. The owner had failed to disclose a...report, but claimed that the report contained no information that would not be revealed by...inspection. The Board held the owner liable, stating that the scope of a required...inspection is very limited; "a bidder is not under 'obligation to make a scientifically educated and skeptical analysis of the contract.'" Nelson Bros. Construction Co., AGBCA No. 393, 77-2 BCA ! 12660, 61,362, 61,370, quoting Stock & Grove, 493 F.2d at 631. pg 52
ENTITLEMENT BASED ON OWNER'S BREACH OF DUTY TO DISCLOSE INFORMATION

37. ...when the owner possesses "knowledge, not shared by the (subcontractor) which is vital to the performance of the contract, the owner has an affirmative duty to disclose such knowledge." Hardeman-Monier-Hutcherson v. United States, 458 F.2d at 1371-2.

38. "The Courts and the Boards have taken an increasingly stringent attitude toward the withholding of information the disclosure of which would be likely to have a material effect on a (subcontractor)...Power City at 49,005.

39. In PEMCO/Peterson's case, Argee clearly possessed knowledge that would have significantly affected PEMCO/Peterson's decisions.

40. If the Owner had revealed the information, PEMCO/Peterson would have planned its work based on a different method.

41. Since the Owner required a design method, it can be inferred that the Owner knew or should have known that PEMCO/Peterson was unaware that he would not dry tailings, removed oversized, ship legal loads, finish the material handling system, and operate it as specified.

42. Also that Argee had consulted and purchased vast amounts of material handling information from expert sources.

43. PEMCO/Peterson's claim clearly meets all of the criteria for entitlement based on the Owner's breach of duty to disclose superior knowledge:

44. * the Owner had superior knowledge which it did not disclose;

45. * the information was vital to contract performance;

46. * the Owner knew the information would affect contract performance; and

47. * the Owner knew or should have known that PEMCO/Peterson was unaware of the information. pg 55

ref

PROPOSAL
OF
ARGEER CORPORATION
FOR
EQUITABLE ADJUSTMENT OF THE CONTRACT PRICE

CLAIM PRESENTATION AND SETTLEMENT NEGOTIATION BOOKLET

ref file: RGLaw-89

13.4 Bond Documents

13.5 Information of Peterson's Businesses

PAYMENT BOND
Title 63, Chapter 56, U.C.A., 1953, as Amended

KNOW ALL MEN BY THESE PRESENTS:

That, The Argee Corporation, hereby referred to as the "Principal", and Seaboard Surety Co. & St. Paul Fire and Marine Insurance Co., a corporation organized and existing under the laws of the State(s) of New York and Minnesota with its principal office(s) in the City(s) of New York and St. Paul, hereinafter referred to as the "Surety", are held and firmly bound unto the State of Utah by and through the Utah Department of Health, hereinafter referred to as the "Obligee", in the amount of Thirty Seven Million, Nine Hundred Thirty Three Thousand and Two Hundred Dollars (\$37,933,200.00) for the payment whereof, the said Principal and Surety bind themselves, their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principle has entered into a certain written contract with the Obligee, dated the 4th day of January, 19 85 to construct Vitro Uranium Mill Tailings in the Counties of Salt Lake and Tooele, State of Utah, Project No. DE-FC04-81AL16309 for the sum of Thirty Seven Million, Nine Hundred Thirty Three Thousand and Two Hundred Dollars (\$37,933,200.00) which contract is hereby referred to and made a party hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, the condition of this obligation is such that if the said Principal shall pay all claimants supplying labor or materials to him or his subcontractors in the prosecution of the work provided for in said contract, then, this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 63, Chapter 56, Utah Code Annotated 1953, as amended, and all liabilities on this bond to all such claimants shall be determined in accordance with said provisions to the same extent as if it were copied at length herein.

IN WITNESS WHEREOF, the said Principal and Surety has signed and sealed this instrument this 15th day of August, 1985.

WITNESS OR ATTESTATION:

William J. [Signature]

THE ARGEE CORPORATION (Seal)

By Joseph L. Green
Principal

Seaboard Surety Company
Surety

By FUMC [Signature]
Attorney-in-Fact

WITNESS:

William E. Wood

St. Paul Fire and Marine Insurance Co.
Surety

By FUMC [Signature]
Attorney-in-Fact

STATE OF TEXAS
COUNTY OF DALLAS ss:

Floyd C. McIntosh, being first duly sworn on oath disposes and says, that he is the Attorney-in-Fact of the Seaboard Surety Co. & St. Paul Fire and Marine Insurance Co. and that he is duly authorized to execute and deliver the foregoing obligation, that said Company is authorized to execute the same, and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings, and obligations.

FUMC [Signature]

Subscribed and sworn to before me this 15th day of August, 1985.

[Signature]
Notary Public

My commission expires: 9/8/89

APPROVED AS TO FORM:

[Signature]
Assistant Attorney General

Contract was placed January 1985-
Peterson's primary work was
March to July 1985, before August 15 bond

PAYMENT BOND
(Title 14, Chapter 1, Sec. 5, U.C.A. 1953, as Amended)

KNOW ALL MEN BY THESE PRESENTS:

That, The Argee Corporation, hereinafter referred to as the "Principal", and Seaboard Surety Co. & St. Paul Fire and Marine Insurance Company corporations organized and existing under the laws of the States of New York and Minnesota with principal offices in the Cities of New York and St. Paul, hereinafter referred to as the "Surety", are held and firmly bound unto the State of Utah by and through the Utah Department of Health, hereinafter referred to as the "Obligee", in the amount of Thirty Seven Million, Nine Hundred Thirty Three Thousand and Two Hundred Dollars (\$37,933,200.00) for the payment whereof, the said Principal and Surety bind themselves and their heirs, administrators, executors, successor and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the 4th day of January, 1985 to construct Vitro Uranium Mill Tailings in the Counties of Salt Lake and Tooele, State of Utah, Project No. DE-FC04-81AL16309 for the sum of Thirty Seven Million, Nine Hundred Thirty Three Thousand and Two Hundred Dollars (\$37,933,200.00) which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, the condition of this obligation is such that if the said Principal shall faithfully perform the contract in accordance with the plans, specifications, and conditions thereof; then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 14, Chapter 1, Utah Code Annotated 1953, as amended, and all liabilities on this bond to all such claimants shall be determined in accordance with said provisions to the same extent as if it were copied at length herein.

IN WITNESS WHEREOF, the said Principal and Surety has signed and sealed this instrument this 4th day of January, 1985.

WITNESS OR ATTESTATION:

Willie J. Roberts

WITNESS:

Annette L. Miller

WITNESS:

Annette L. Miller

THE ARGEE CORPORATION (Seal)

Principal

By: _____ (Seal)

Joseph W. Greer (Seal)
Principal

Seaboard Surety Company

Surety

By Lanny Garrett
Attorney-in-Fact

St. Paul Fire and Marine Ins. Co.

Surety

By Lanny D. Garrett
Attorney-in-Fact

New York, New York

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, has made, constituted and appointed and by these presents does make, constitute and appoint F. C. McIntosh or Jim Mayfield or Roger Bumgarner or Bruce Huffhines or Jeffrey Bolin or Kevin W. Adams,
Dallas, Texas

as true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf insurance policies, surety bonds, undertakings and other instruments of similar nature as follows:

Without Limitations.

Such insurance policies, surety bonds, undertakings and instruments for said purposes, when duly executed by the aforesaid Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as if signed by the duly authorized officers of the Company and sealed with its corporate seal; and all the acts of said Attorney-in-Fact, pursuant to the authority hereby given, are hereby ratified and confirmed.

His appointment is made pursuant to the following By-Laws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927, with Amendments to and including January 15, 1982 and are still in full force and effect:

ARTICLE VII, SECTION 1:

"Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto, insurance policies, bonds, recognizances, stipulations, consents of surety and underwriting undertakings of the Company, and releases, agreements and other things relating in any way thereto or to any claim or loss thereunder, shall be signed in the name and on behalf of the Company

(a) by the Chairman of the Board, the President, a Vice-President or a Resident Vice-President and by the Secretary, an Assistant Secretary, a Resident Secretary or a Resident Assistant Secretary; or (b) by an Attorney-in-Fact for the Company appointed and authorized by the Chairman of the Board, the President or a Vice-President to make such signature; or (c) by such other officers or representatives as the Board may from time to time determine.

The seal of the Company shall if appropriate be affixed thereto by any such officer, Attorney-in-Fact or representative.

WITNESS WHEREOF SEABOARD SURETY COMPANY has caused these presents to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, this 26th day of July, 1985.



Attest:

(Seal)

Anita J. Leonard
Assistant Secretary

SEABOARD SURETY COMPANY

By

Thomas P. Gorke
Vice-President

STATE OF NEW YORK

COUNTY OF NEW YORK

this 26th day of July, 1985, before me personally appeared Thomas P. Gorke

whom I am personally acquainted, who, being by me duly sworn, said that he resides in the State of New Jersey; he is a Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seat of the said Company; that the seal affixed to said instrument is such corporate seal; it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice-President of said Company by like authority.

DORENE HARTLEY

Notary Public, State of New York

No. 24477219F

Qualified in Kings County

Certificate Filed in New York County

Commission Expires March 31, 1988

I, the undersigned Assistant Secretary of SEABOARD SURETY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is true and correct copy, is in full force and effect on the date of this Certificate and I do further certify that the Vice-President who executed the said Power of Attorney was one of the Officers authorized by the Board of Directors to appoint an attorney-in-fact as provided in Article VII, Section 1, of the By-Laws of SEABOARD SURETY COMPANY.

This Certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors of SEABOARD SURETY COMPANY at a meeting duly called and held on the 25th day of March 1970:

"RESOLVED: (2) That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any attestation of the correctness of a copy of an instrument executed by the President or a Vice-President pursuant to Article VII, Section 1, of the By-Laws appointing and authorizing an attorney-in-fact to sign in the name and on behalf of the Company surety bonds, underwriting undertakings or other instruments described in said Article VII, Section 1, with like effect as if such seal and such signature had been manually affixed and made, hereby is authorized and approved."

WITNESS WHEREOF I have hereunto set my hand and affixed the corporate seal of the Company to these presents this



12 day of August, 1985

Anita J. Leonard
Assistant Secretary

ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, and having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

F. C. McIntosh, Jim Mayfield, Roger W. Bumgarner,
individually, Dallas, Texas

and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts or any and other writings obligatory in the nature thereof which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise;

UNLIMITED AS TO CHARACTER AND AMOUNT

a execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said St. Paul Fire and Marine Insurance Company, as fully and completely, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws of the Board of Directors of ST. PAUL FIRE AND MARINE INSURANCE COMPANY at a meeting called and held on the 23rd day of January, 1979, the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority:

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power of attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
- (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Now, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting called and held on the 6th day of May, 1969, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 2nd day of January, A.D. 1980.

STATE OF MINNESOTA
County of Ramsey

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

[Signature]
Vice President



this 26th day of April, 1982, before me came the individual who executed the preceding instrument, personally known and, being by me duly sworn, said that he/she is the therein described and authorized officer of St. Paul Fire and Marine Insurance Company, the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of St. Paul, Minnesota, the day and year first above written.

[Signature]

M.C. INNES, Notary Public, Ramsey County
My Commission Expires April 27, 1983



CERTIFICATION

I, the undersigned officer of St. Paul Fire and Marine Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

27th day of August, 1983

[Signature]
Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority Not printed in red on the upper right corner is binding. Photocopies, copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

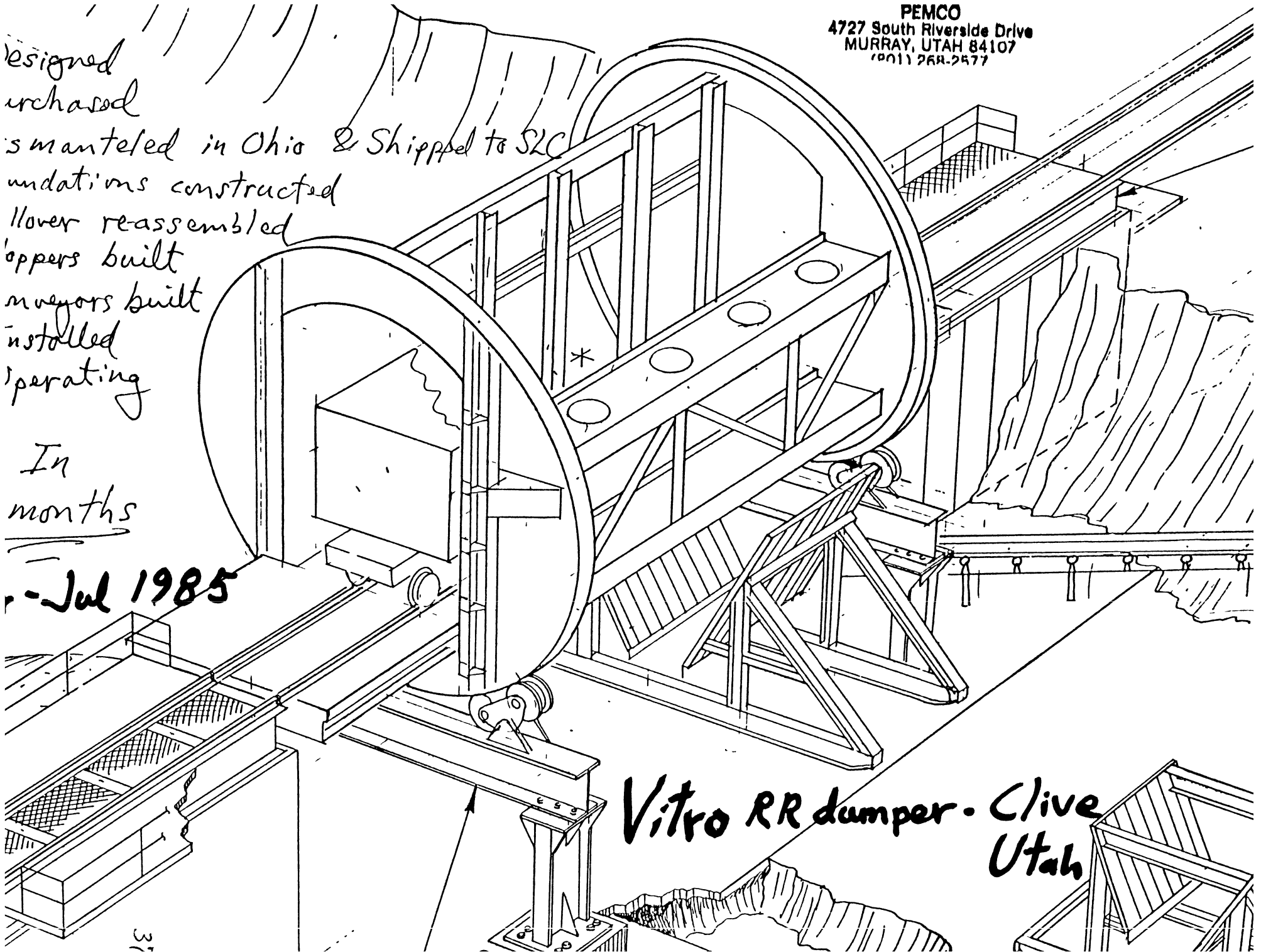
PEMCO
4727 South Riverside Drive
MURRAY, UTAH 84107
801/268-2577

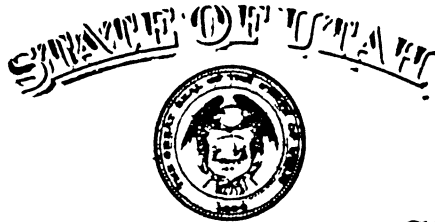
Designed
Purchased
assembled in Ohio & Shipped to SLC
Foundations constructed
Hoover reassembled
Coppers built
motors built
Installed
operating

In
months

- Jul 1985

Vitro RR dumper - Clive
Utah





Department of Business Regulation

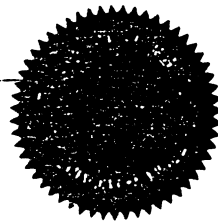
Registration Division

William Donald Peterson, II

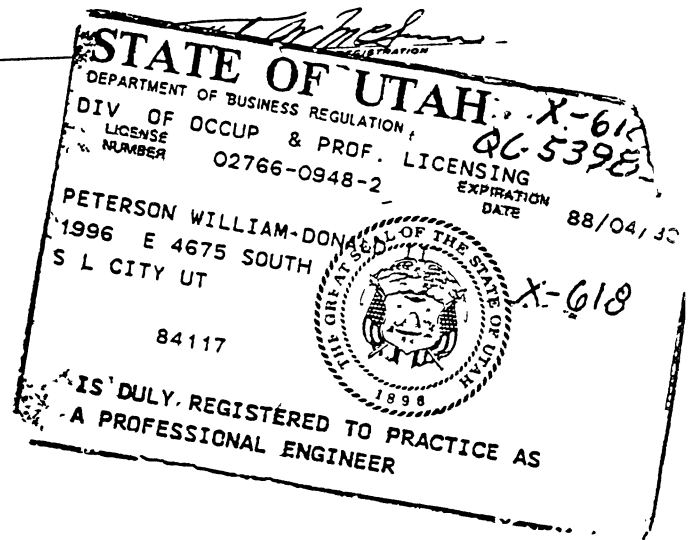
having complied with all the requirements of the laws of the State of Utah and the rules of this Department, is hereby registered and licensed to practice as a

Professional Engineer

License
No. 2766



In Witness Whereof, I have hereunto set my hand and affixed the official seal of the Department this Twenty-first day of July 1966



University of Utah

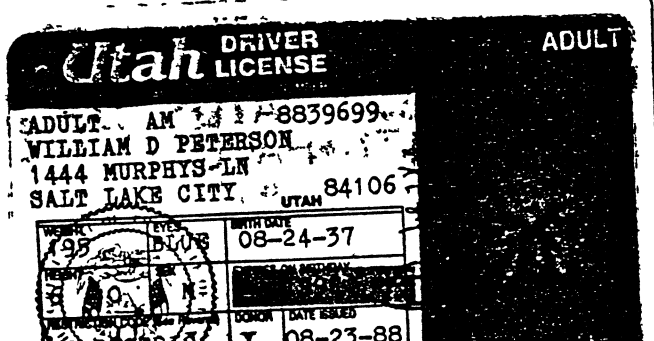
Apon the Recommendation of the Faculty
has conferred on
William Donald Peterson II
the Degree of
Master of Science
in Mechanical Engineering

all its Rights, Honors and Responsibilities
at Salt Lake City, in the State of Utah, on the ninth day of June,
nineteen hundred sixty-seven.

James C. Peterson
President of the University



James C. Peterson
President of the University



The University of Utah

To all to whom these Letters shall come Greetings
The Regents of the University on Recommendation of the Faculty
and by Virtue of the Authority in them vested have conferred upon
William Donald Peterson
who has satisfactorily pursued the prescribed Studies and
passed the required Examinations the Degree of
Bachelor of Science in Mechanical Engineering
with all the Rights Privileges and Honors thereunto appertaining
Given at The University of Utah on the State of Utah on the eighth Day of June
in the Year Nineteen Hundred and Fifty-seven

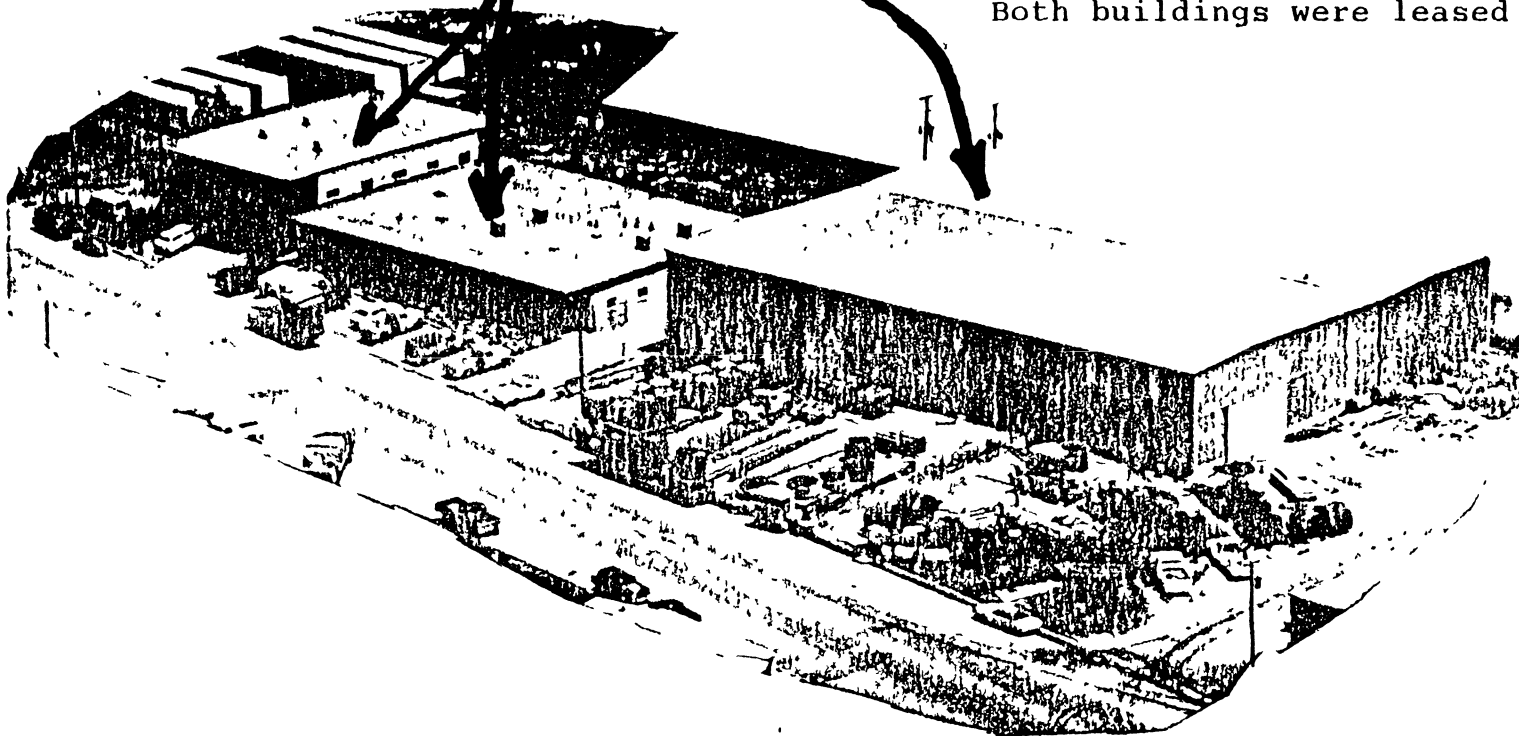


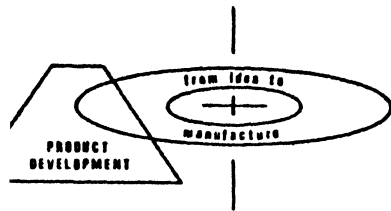
Rayce W. Wagoner
President of the University
Rayce W. Wagoner
President of the University

The 9,000 square foot engineering office and machine shop was built in the early 1970s by Wm Peterson, Mr. Peterson purchased the bare ground from Mr. Hal Willie of Crager Wire & Iron.

In the mid 1970s, Mr. Peterson purchased additional ground from Mr. Willie and built upon it an 8,000 square foot fabrication shop. Shortly after the building was expanded by Peterson to 21,000 sq ft.

Both buildings were leased to PEMCO.





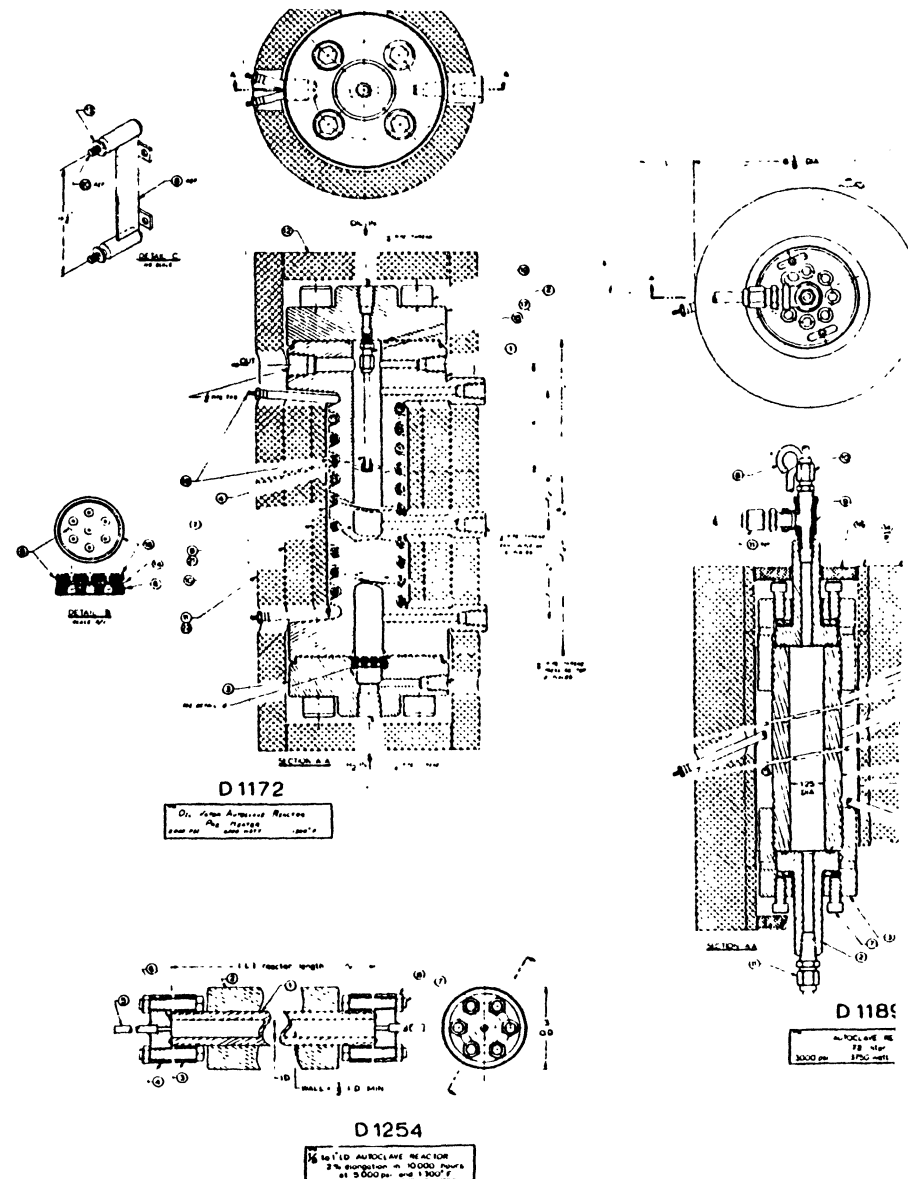
HIGH TEMPERATURE HIGH PRESSURE

SYSTEMS FOR COAL LIQUIDIFICATION

Wm. D. Peterson & Associates
PRODUCT DESIGN ENGINEERS

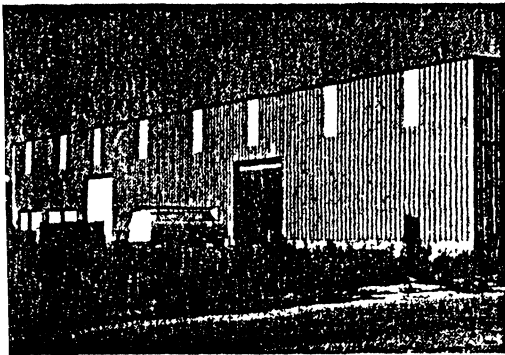
Wm. D. Peterson & Associates designs and manufactures equipment for high temperature and high pressure applications. Operating pressures of 5000 psi and operating temperatures of 1500° F are common. Our product is usually designed and engineered specifically for requirements of the individual customer. Our organization welcomes inquiries for "specials" including those for pilot plant and research applications. Samples of products we have developed and produced are illustrated on the following pages. Wm. D. Peterson & Associates has ample both design engineering and manufacturing capabilities at its address of:

4727 Riverside Drive
Murray, Utah 84107
Phone (801) 268-2577



Versatility, Flexibility, and Engineering 'know-how' all add up to an unbeatable combination, whatever your job requirements may be.

Our staff of engineers and professional people stand ready to supply a complete package of sales, design, manufacturing, installation supervision and in-field service. We look forward to being of service to you.

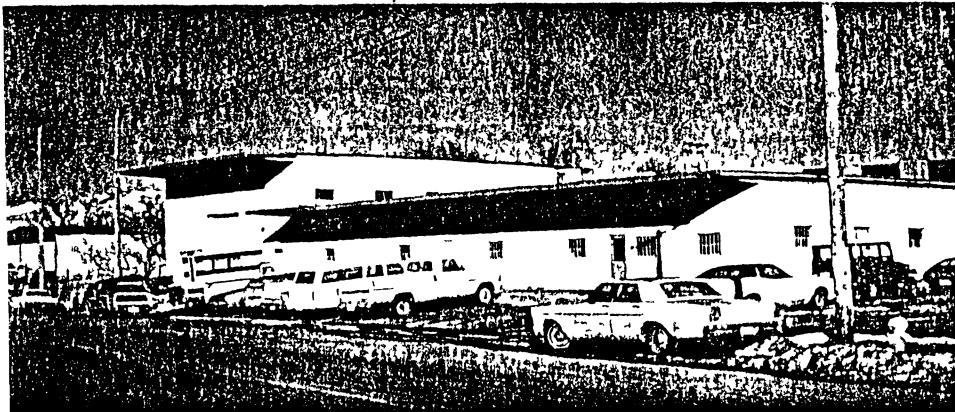


20,800 Sq. Ft. Fabrication Shop

expanded from 8,000



Engineering Department

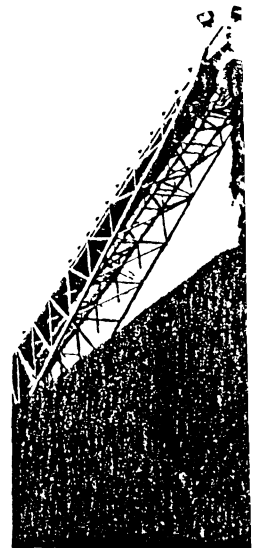
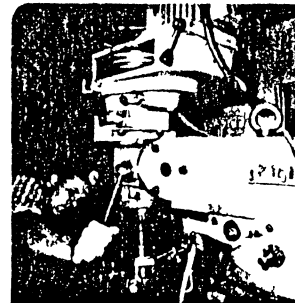
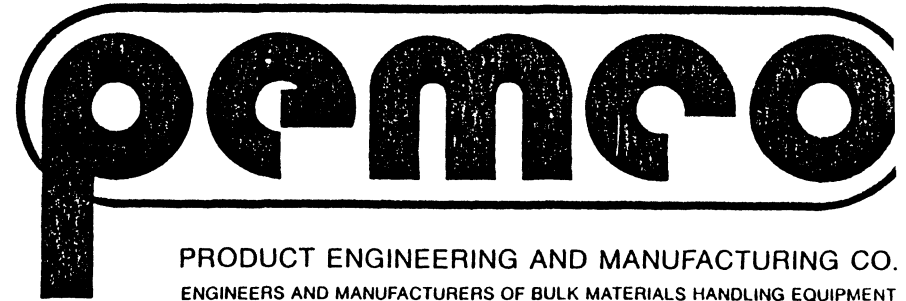


9000 Sq. Ft. Administration Building And Machine Shop



PRODUCT ENGINEERING AND MANUFACTURING CO.
4727 SOUTH RIVERSIDE DRIVE MURRAY, UTAH 84107
PHONE 801 268 2577

Litho in U.S.A.



PARTIAL LIST OF CLIENTS

Contractors:

Ford Bacon & Davis
Jeffrey Dresser
Lamb Engineering & Constr
Arthur G. McKee
John B. Pyke
Stevens Adamson

Construction Co's:

Gibbons & Reed
Goble Sampson
John C. Grimberg
S J Groves
Peter Kiewit
McNally Mtn. States Steel
J R. Simplot
Vicon Construction

Nuclear:

Catalytic, Inc.
E-Systems, Inc.

Coal Research:

Carnegie-Mellon Institute
Colorado State University
Saskatchewan Power & Light

University of Jordan
University of Montana
University of Utah
United States Dept. of Energy

Research & Special Projects:

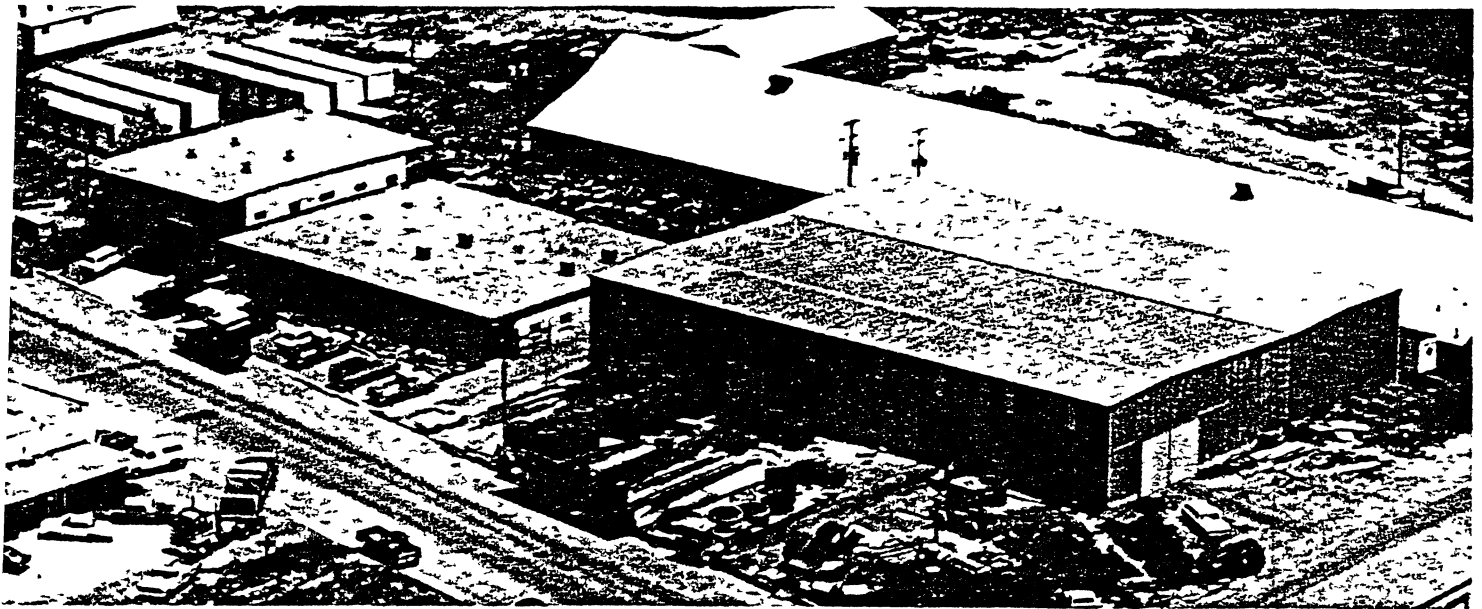
Hercules
Litton
Sperry-Univac
Utah Research & Development

Mining Industry:

Allied Chemicals
American Coal
American Oil
The Anaconda Company
Brush-Wellman
CMC Mining
Eimco Corporation
Empire Energy
FMC Corporation
Kaiser Steel
Kennecott Copper Corp
Morton Salt
N L Industries
Rio Algom
Savage Brothers
J R Simplot
Stauffer Chemicals
Southern Utah Fuel
(Coastal States Energy)
Utah AM
Utah Power & Light
Valley Camp Coal
Western States Minerals
(Dog Valley)



President—William D. Peterson is a registered professional engineer. He received his B S from the University of Utah in 1959, his M S in 1967 and his P E in 1964. His engineering design experience began with Sperry Univac from 1959 to 1966 where he was Senior Project Engineer cognizant for the design of tooling and ground support equipment for the Sargent Missile Program. He later worked for several other companies in similar design assignments. In 1970 he established his own Engineering Consulting Firm, "Wm D Peterson and Associates". The firm is known internationally for its developments and products associated with energy research. Currently, through PEMCO, Wm D Peterson and Associates designs and manufactures coal liquifaction components and systems for research all over the world.



Aerial view of PEMCO fabrication and machine shops.



PRODUCT ENGINEERING AND MANUFACTURING CO

4727 SOUTH RIVERSIDE DRIVE, MURRAY, UTAH 84107
PHONE 801-268-2577

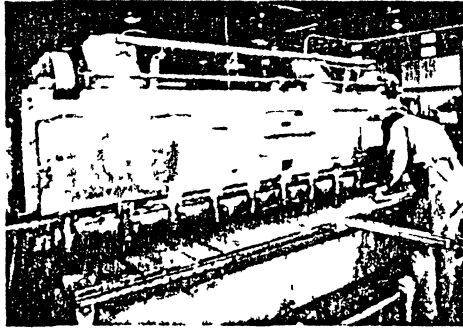
Litho in U.S.A.

Complete fabrication and machining facilities, backed up with professional engineering design and supervision.

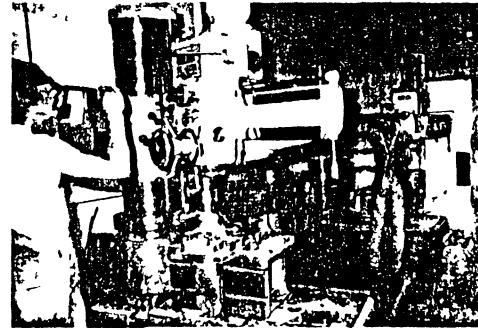
PEMCO shop personnel are highly skilled individuals, with many years' experience in their respective fields...



400-Ton x 14' Press Brake



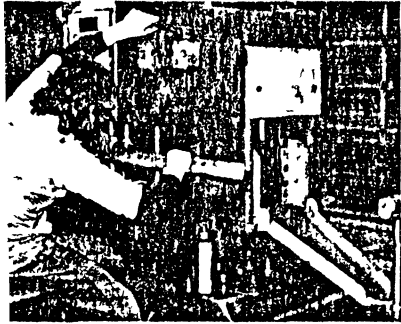
10' x 3/4" Shear



Radial Arm Drills



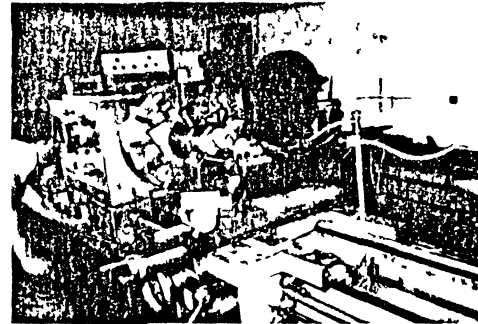
Centerless Grinding



Iron Worker



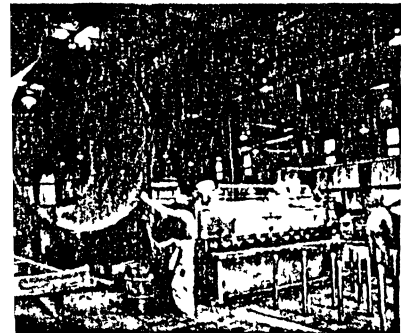
TIG, MIG, Wire-Feeder And Stick Welders



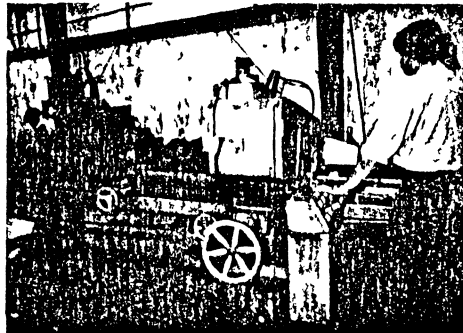
36" swing x 10' Lathe



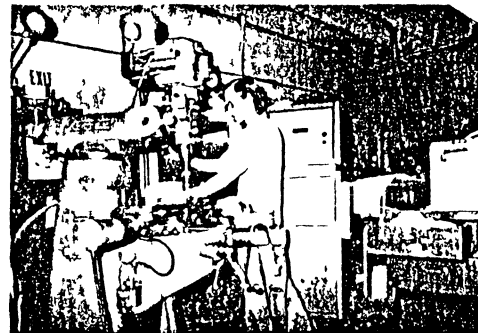
Quality Control Department



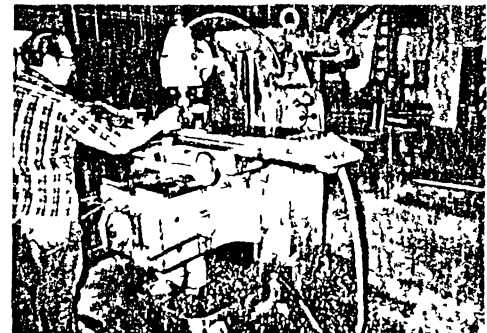
Four 5-Ton Bridge Cranes



Automatic Sawing



NC Milling Machine



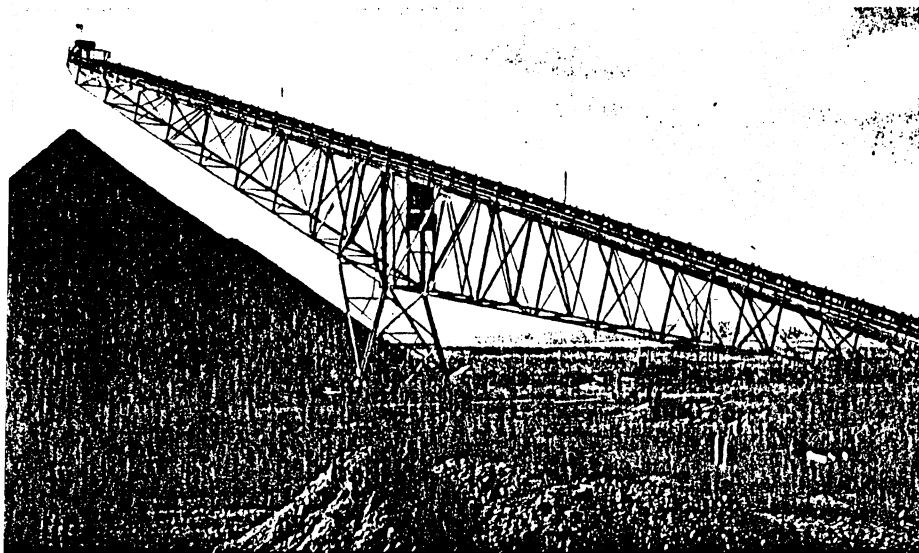
#3 Vertical Mill

Specialists In Bulk Materials Handling Systems

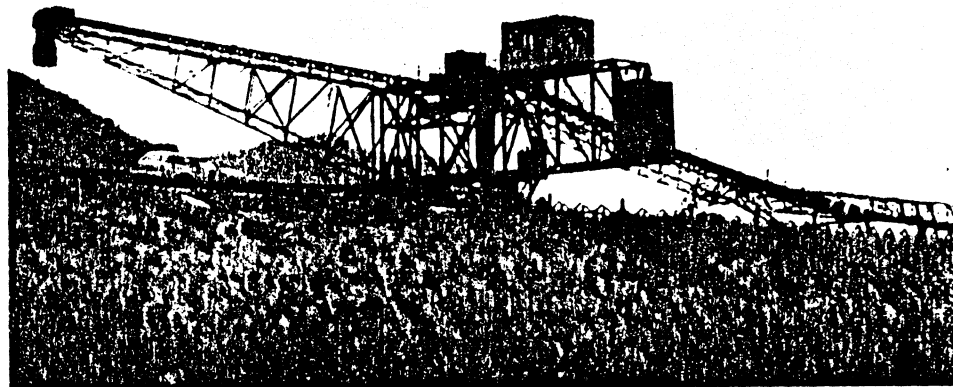
PEMCO has long experience in this type of installation, with design, fabrication and erection capability to do the job from start to finish.



PEMCO Shuttle Conveyor North of Salt Lake City, Utah, the terminus of a 13 mile overland system.

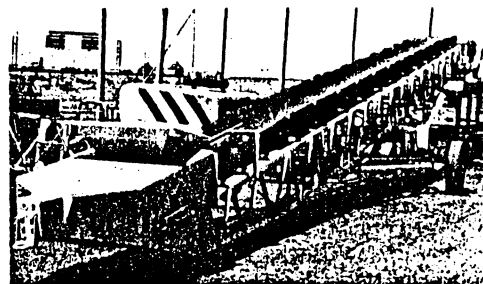


PEMCO 200' Radial Stacker Near Wellington, Utah

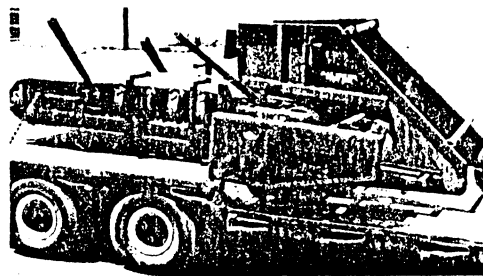


PEMCO 105' Linear Stacker With Built-in Tripper, Near Grand Junction, Colorado

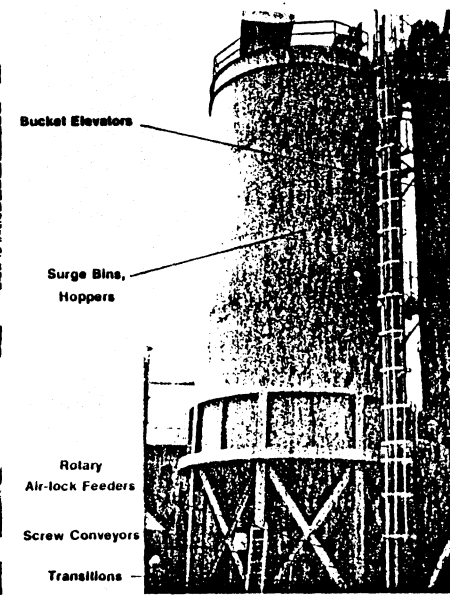
From economical standard modular sections to special-purpose custom designs, PEMCO can furnish a conveyor to suit your needs.



Collapsible, Towable Stackers



Feeders For Every Application



Bucket Elevators

Surge Bins, Hoppers

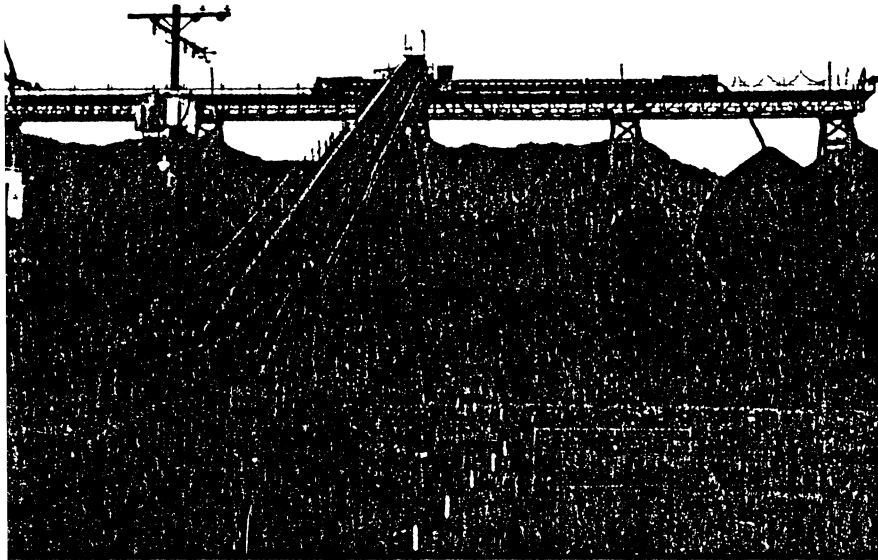
Rotary Air-lock Feeders

Screw Conveyors

Transitions

Auxiliary Equipment

Overland And Underground Wire Rope Supported Systems

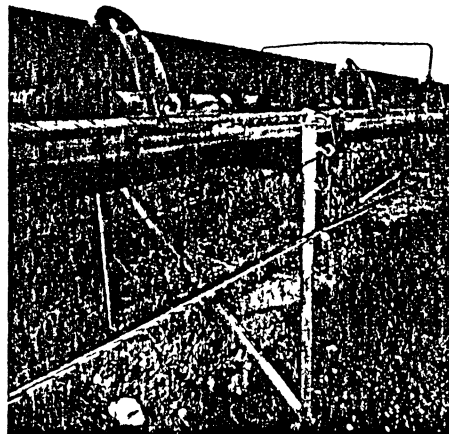


PEMCO Shuttle Conveyor Northwest Of Salt Lake City Utah The Terminus Of A 13 Mile Overland System

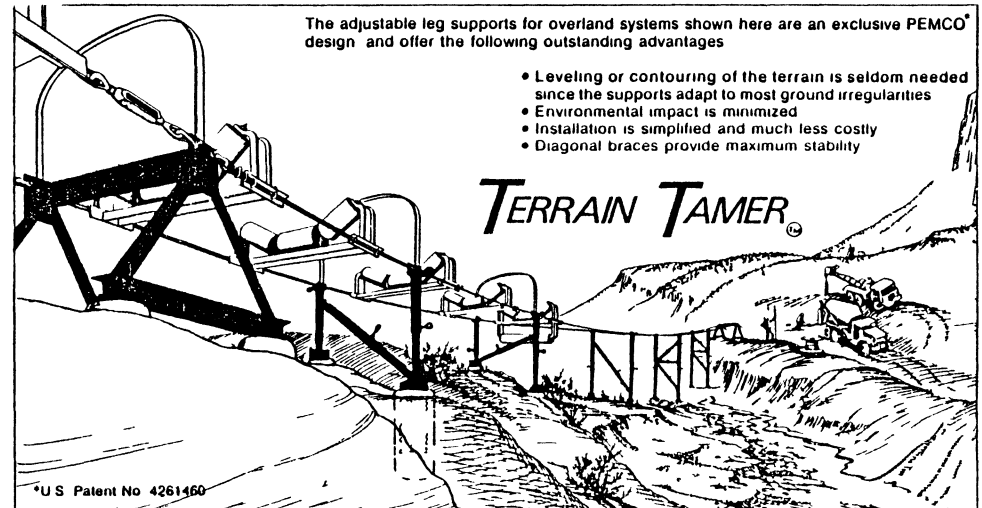
SYSTEMS

Increasing cost of fuel has made long haul overland systems more and more attractive to operators. Properly designed overland systems have competitive with truck and rail transport. Today, light is being given to overland systems of thirty miles in length. While this may seem incredible, the following factors: Belt conveyors may be operated regardless of weather or the calendar time wasting empty return trips or delays for unloading. Long distance overland systems will maintain travel routes that are practically or totally impossible for most other transportation. They can climb or descend grades up to twelve degrees as most rail or road beds. They can span canyons on relatively light support structures, pass through much smaller tunnels than those for vehicle traffic. The whole system can be enclosed for operation.

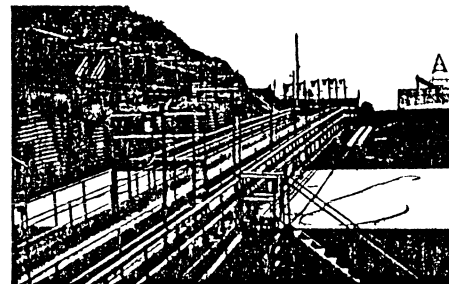
These factors are secondary to the sheer economics of versus cost per kilowatt hour of electric power, maintenance and power costs (ton per ton) are less than for any other currently feasible



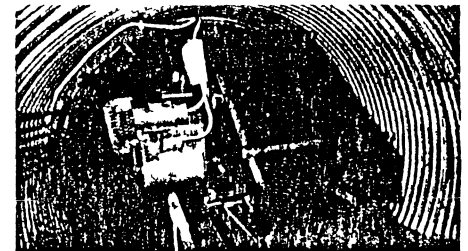
Typical overland system, showing PEMCO adjustable leg support stands



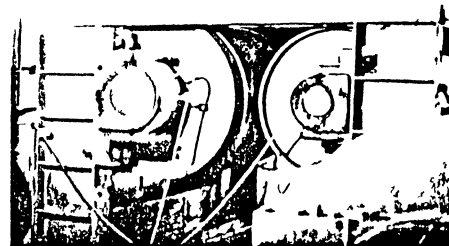
The underground mine conveyor is a vital link between the working face and above ground storage or preparation facilities. While channel frames placed end to end have been used successfully as mine conveyor supports, the wire rope suspended system has gained wide acceptance. Wire rope conveyors are favored for both mine and overland systems for the same reasons: versatility, cost reductions in site preparation, elimination of heavy support structures and ease of installation.



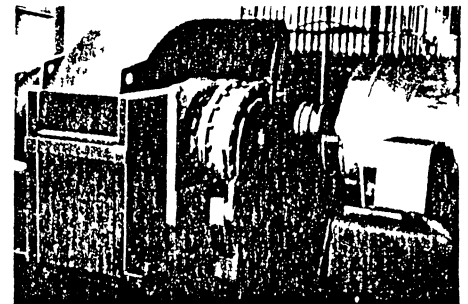
Part Of The 7000 Foot Long Wire Rope Conveyor System Designed And Built By PEMCO For A Coal Mine Near Price Utah



PEMCO Underground Reclaim Feeder

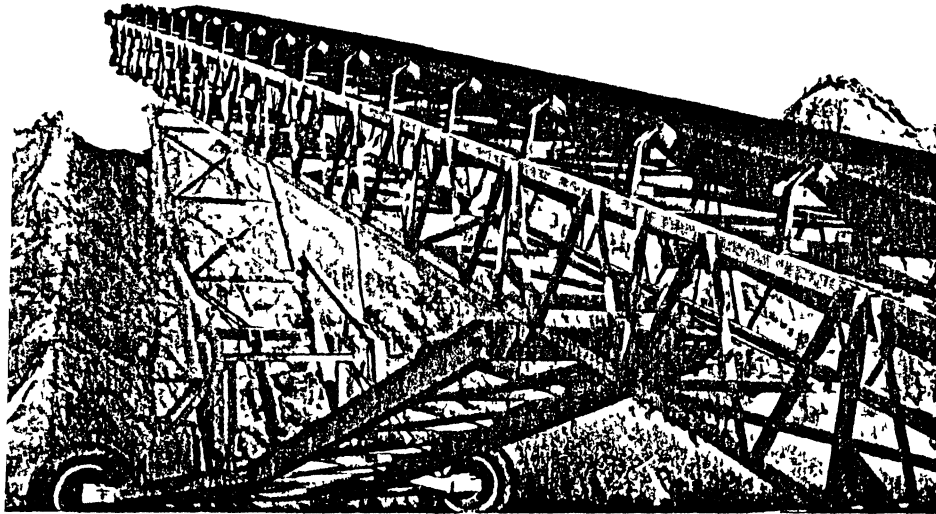


Head Section Drive Rolls



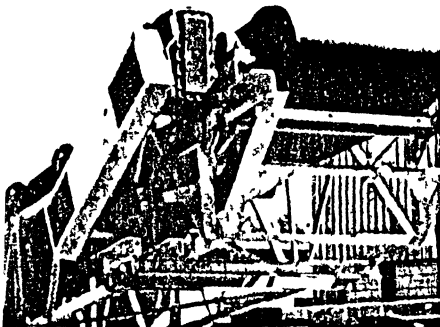
Partial View Of 900 Horsepower 3 Motor Drive At The Price Mine

Portable Conveyors And Stackers— All Types And Sizes

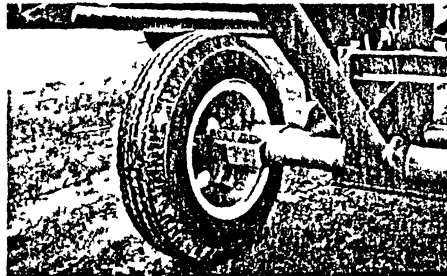


Performance, Versatility and Quality are the design standards set for EMCO Stackers

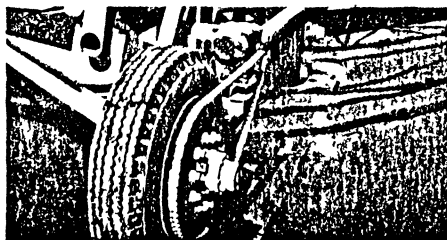
EMCO Portable Stackers are designed and built to come in economical high volume material handling with maximum mobility and adaptability. These heavy duty units are the result of years of design refinement down to the last detail in close cooperation with actual users in the field. No effort has been spared to obtain the best combination of performance, quality and competitive price. Standard belt widths range from 24 through 42. Conveyor lengths are offered in 5 increments from 40 through 150. Larger sizes are available upon request.



Torque arm shaft mounted gear reducers are used in most electrically powered drives. Integral sprag type backstops are standard.



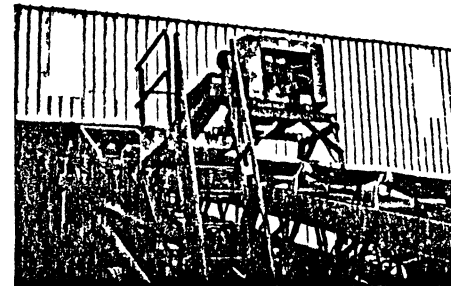
Standard Pivoting Spindles Allow Towing In One Position And Radial Stacking In The Other



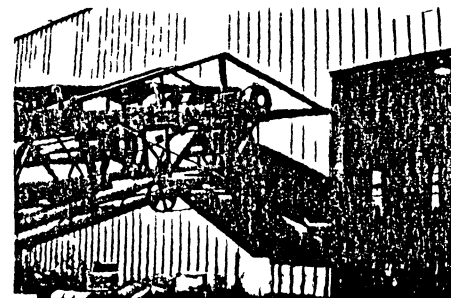
Optional Powered Traverse For Increased Efficiency Electric, Hydraulic Or P.T.O. Drives



Hydraulic Undercarriage Elevation Up To 20° Incline Standard Hand Pump Or Optional Power Driven Pump Dual Locking Pins



Optional Combustion Engine Drives



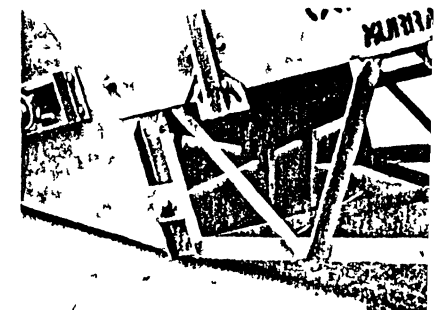
Optional vibrating separator screen

A wide range of standard and optional features gives you the right combination of equipment for your present application, and provides the flexibility to meet future needs.

Truss-type stationary conveyors easily convert to stackers with the addition of standardized undercarriages

OPTIONAL FEATURES

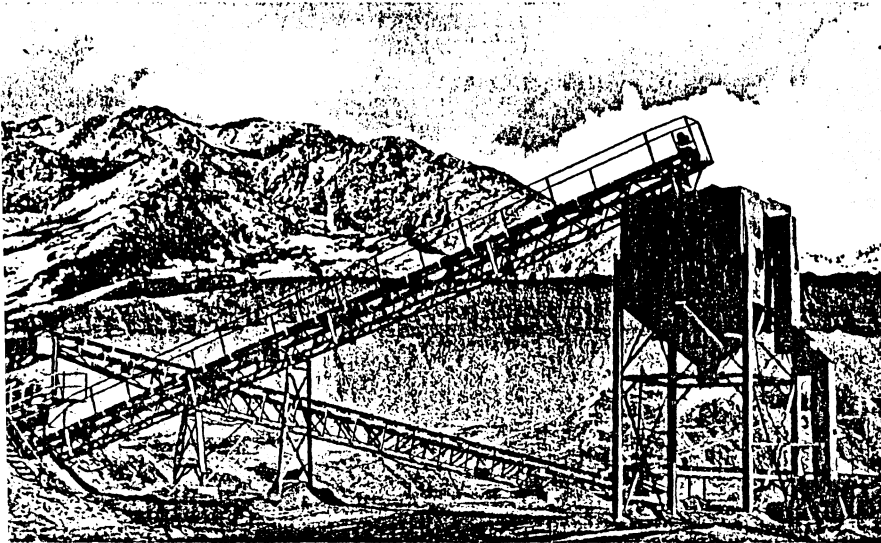
- Telescoping Axles
- Power Driven Belt Cleaners
- Discharge Hood
- Powered Traverse
- Snub Pulleys
- External Backstop (Combustion Engine Drives Only)
- Walkways And Ladders
- Power Driven Hydraulic Elevation Pump
- Combustion Engine Drives And Clutches, P.T.O. Drives
- Extra Skirting
- Belt Alignment Switch
- Zero Speed Switch
- Emergency Stop Switch
- Weigh Scales
- Automatic Belt Take ups
- Folding Boom
- Extra Capacity Hopper or Radial Hopper
- Fifth Wheel Hitch
- Rail Wheels
- Telescoping Chute



Swivelling Anchor Plates Standard Loading Hoist Shown

NOTE: A series of portable stackers can be placed end to end to form a temporary overland system.

Standard Modular Stationary Conveyors

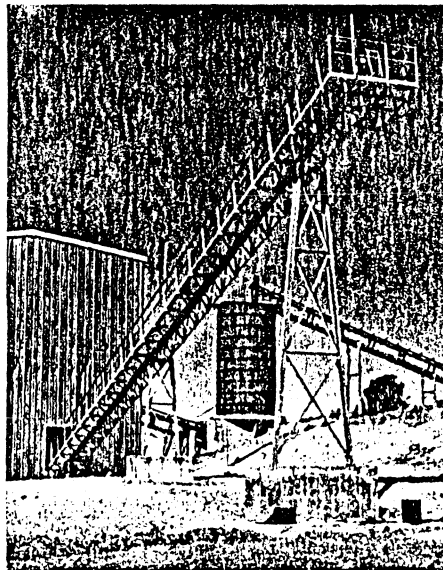


Standardized Truss-Frame Stationary Conveyors

Standardized, modular sectional belt conveyors are made of pre-designed structures and pre-selected components. This standardization saves time, and makes a wide range of handling equipment available. Standard belt widths offered are: 24", 30", and 48". Drive equipment is available up to 50 H.P. Truss or channel frames are designed to AISC for a 90 mph wind and for spans up to 50 feet. Bents, chutes and other accessories are also available.



Modular Channel Frame Conveyors

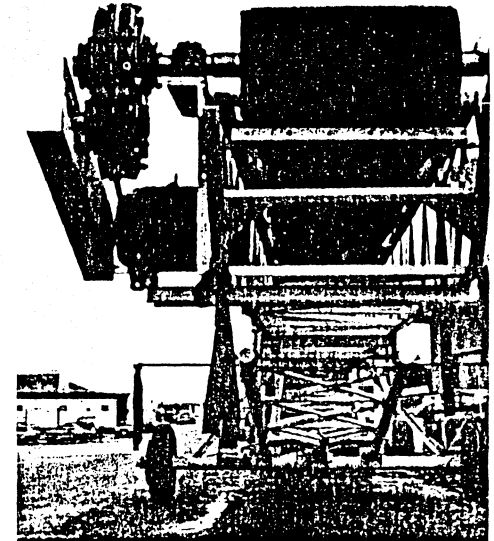
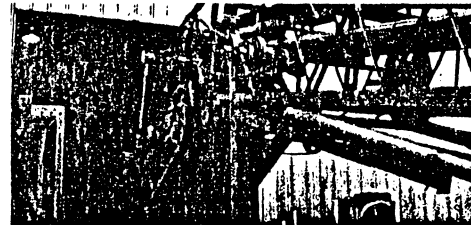


General-Purpose Support Structures, Chutes And Hoppers

Terminal Equipment

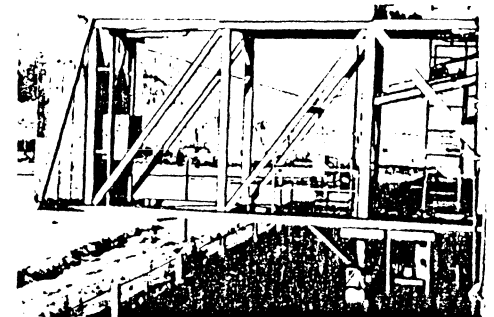
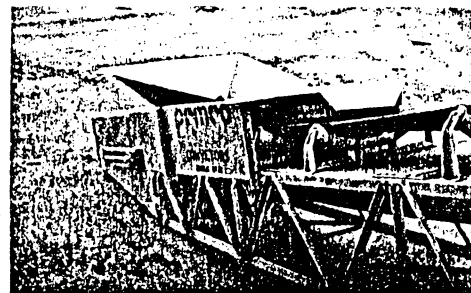
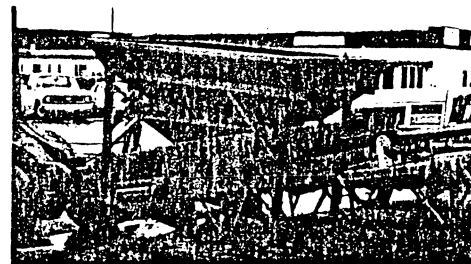
HEAD SECTIONS

- All drives are pre-assembled, aligned and adjusted at the factory to save time and trouble during installation.
- Torque-arm shaft-mounted gear reducers are used in most electrically powered drives. Integral sprag-type backstops are standard.
- Heavy duty ball or roller bearings are used, depending upon service requirements.
- Crowned drive pulleys with split-taper bushings are standard. Rubber lagging is supplied when required.
- Choice of truss or channel frames with heavy-duty all-welded construction.
- Drives supplied with drive covers
- Available combustion engine drives



TAIL SECTIONS

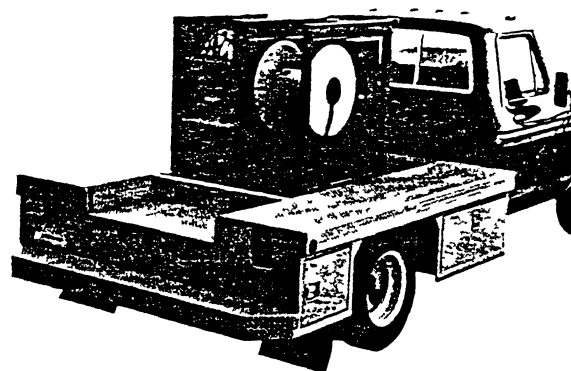
- Pre-assembled and checked at the factory
- Heavy duty all-welded steel truss or channel frames.
- Screw-type, gravity or hydraulic takeups.
- Heavy duty loading hopper, standard or radial, with skirting. Closely spaced support idlers; impact idlers when required.
- Crowned pulley with split-taper hubs.
- Nip Guards



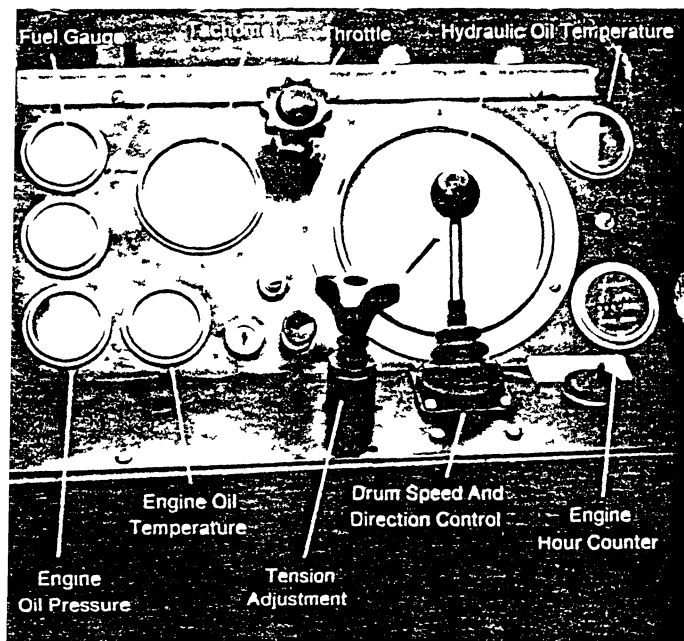
Automatic Gravity Take-up With Attaching Cables

TENSION CONTROLSM offers greatly improved control and sensitivity to line tension, at high or low speeds.

Tension Control is the only hydrostatic slickline unit on the market today offering a true variable displacement drive. At the heart of the system is a "swashplate" type hydraulic pump, which can vary the stroke of the pistons from zero to maximum, at any pump rpm. This eliminates the inefficient, heat-producing relief valves used on competitive units. It also eliminates the multispeed gearboxes usually used to drive conventional gearpumps. There is no need to bring the system to a complete stop to change speeds. Above all, the swashplate pump allows a high degree of control and sensitivity to line tension, at high or low speeds, and in either direction. Operating controls are also simplified with a single lever controlling both drum speed and direction of rotation, while line tension is instantly adjustable with a turn of a knob.



Truck Mounted Unit



FEATURES:

- Closed-loop Variable Displacement Hydrostatic Drive with high and low range provides infinite speed selection from 0 to 700 rpm in both forward and reverse
- Ease Of Control: A single joystick lever controls both drum speed and direction of rotation. Maximum pulling pressure is quickly adjustable with a handy knob control.
- Detachable Drums can be switched by removing and replacing four hex nuts. With drum removed unit can be airlifted more easily.
- Choice Of Motive Power provides added versatility. Efficient compact aircooled 25 HP gasoline or diesel engines allow self-contained operation in remote areas. Key-lockable electric starting is standard on all models. 25 HP to 75 HP electric motors are available in a choice of 240 or 480 volts AC, 3 phase, 60 Hz.
- Compact, Modular Construction combines all-welded external tubular steel frame with integral fuel and hydraulic tanks. Skid-mounted design with four tie-down points allows easy setup in a variety of locations.
- Full Instrumentation includes tachometer, fuel gauge, voltmeter and engine hour-counter, as well as pressure and temperature gauges for both engine oil and hydraulic fluid.

OPTIONS:

- Truck Bed Mounting available for various light truck chassis
- Steering Head, used in combination with rear-mounted control station option
- Boom Truck with Operator Control Cabin
- Rear-mounted Control Station: Controls mounted on opposite side of unit from what is shown in the illustration.

SPECIFICATIONS

- 0 to 700 rpm drum speed, infinitely variable in either direction
- 691 Ft. Lbs. of torque at 149 rpm.
- 1922 lbs. line pull (with bare drum).
- 2000 feet per minute max. line speed.
- 25,000 feet of 0.092" dia. slick line cable
- 1400 lbs. net weight with drum removed
- 16 gallon fuel tank.
- 10 gallon hydraulic fluid tank
- 38" wide, 43" long, and 45 1/2" high
- 25 HP gasoline or diesel engine (optional)
- 25 to 75 HP electric motor, 240/480 V A C, 3 Ph 60 Hz (Optional)

A Unique Combination Of Sensitive Control, Compactness, Versatility



PRODUCT ENGINEERING
AND MANUFACTURING CO.

4707 Riverside Drive, Murray, Utah 84107 (801) 268-2577

Preheated fuel vaporizes better, producing more efficient combustion and improved fuel economy

PRINCIPLE OF OPERATION:

Fuel temperature is thermostatically controlled at around 125° F. by the Thermal Combustion Accelerator. To understand the benefits of such pre-heating of fuel, it is necessary to first review the combustion process in a diesel engine at the moment of fuel injection. Fuel spraying from an injector into a diesel cylinder is atomized into tiny droplets. During injection, the intense heat and pressure of the compressed air charge within the cylinder first vaporizes and then ignites the injected fuel. Pre-heated fuel vaporizes more readily and completely than cooler fuel, producing smoother, faster, and more efficient combustion. An unvaporized drop of fuel is a wasted drop of fuel, that either passes through the engine unburned or finally ignites during the exhaust stroke after all opportunity for useful work has passed.

In all internal combustion engines, a large portion of the energy potentially available in the fuel is lost in the form of waste heat. As combustion efficiency is improved, more of the fuel's energy is converted into motive power rather than into heat. During the power stroke of a four-cycle engine, the compressed fuel-air mixture is burning and producing hot expanding gasses which push the piston downward. If combustion is inefficient, combustion is still taking place at the bottom of the power stroke, and sometimes even during the exhaust stroke. With the Thermal Combustion Accelerator, combustion occurs more quickly and thoroughly, and is completed nearer to the top of the power stroke. The expanding gasses are therefore cooling off as the piston travels downward (as any gas must cool as it expands). That such cooling of the exhaust gasses does indeed occur has been verified by actual pyrometer monitoring, and is a convincing proof that more efficient combustion is taking place.

FEATURES:

• APPROXIMATELY 10% IMPROVEMENT IN FUEL EFFICIENCY

Depending upon various factors such as engine size, type, condition and application, heated fuel has been found to produce an increase of approximately 10% in fuel efficiency. Due to the many variables in operation, improvements in fuel efficiency will vary.

• COOLER OPERATION

Exhaust gas monitoring has shown a decrease in exhaust gas temperatures using the TCA. This will obviously result in substantially extended valve and turbocharger life. Operators also report lower coolant temperatures under heavy load conditions such as climbing long grades.

• EXTENDED ENGINE LIFE

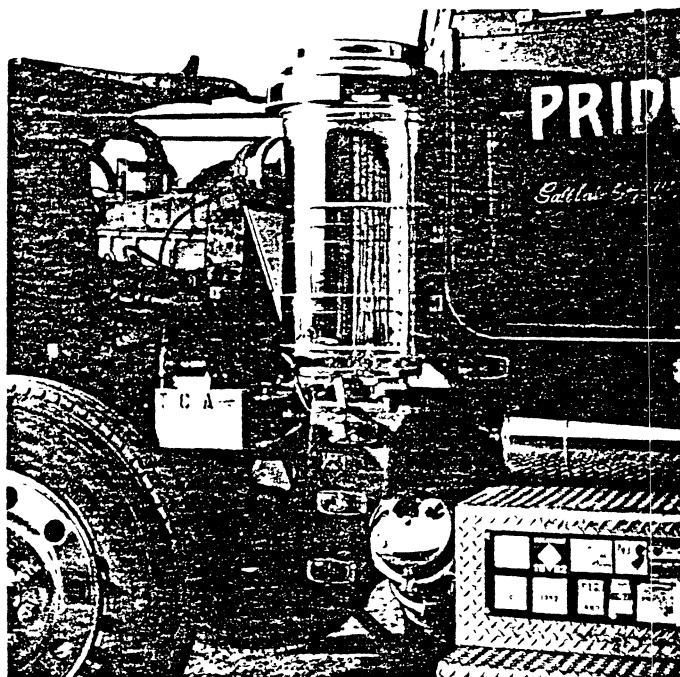
The more uniform combustion referred to under "Principles of Operation" results in a smoother running engine, with less combustion shock and strain on crank and rod bearings. More complete combustion also means less dilution and contamination of lubricating oil, and consequently less wear.

• QUIETER OPERATION

One of the first and most noticeable effects of the TCA is a distinct lessening of engine noise as the fuel reaches operating temperature. Again, this is a result of the smoother and more uniform combustion made possible by pre-heated fuel.

• PREVENTS "WAXING" OF FUEL

Elevating the temperature of the fuel as it passes through the TCA eliminates the common problem of "waxing" or "gelling" of diesel fuel during cold weather. Such waxy elements floating in suspension in the fuel can clog filters, pump valves and injector nozzles. They also resist vaporizing and therefore do not burn during the power stroke, thereby reducing efficiency.



Thermal Combustion Accelerator mounted on Peterbilt tractor with Cummins 350 engine.

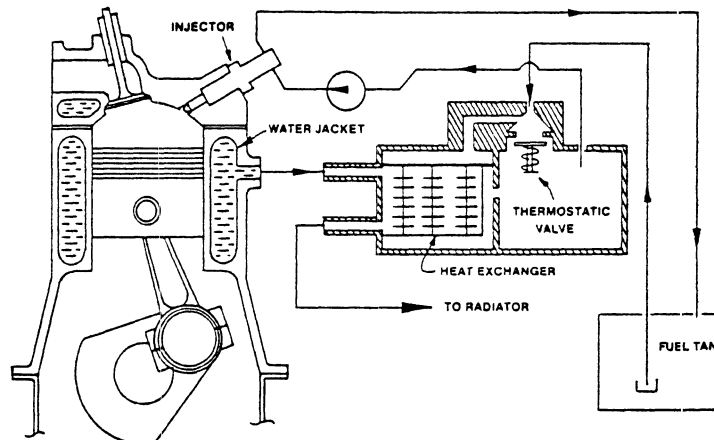


Diagram of a typical installation

Take The T.C.A.® Challenge:

Try one of our Thermal Combustion Accelerators for 60 days. If, at the end of that time you do not believe that the TCA device has provided the following benefits, return the TCA unit to us and we will refund the full purchase price.

Benefits:

- Improved fuel economy
- Cooler Engine Performance
- The Ultimate in fuel-waxing prevention

LIMITED WARRANTIES STATEMENT

All products manufactured or distributed by TCA Limited are subject to the following, and only the following LIMITED EXPRESS WARRANTIES, and no others. For a period of one (1) year from and after the date of purchase of a new TCA Limited product, TCA Limited warrants and guarantees only to the original purchaser-user that such a product shall be free from defects of materials and workmanship in the manufacturing process. A product claimed to be defective must be returned to the place of purchase, TCA Limited, at its sole option shall replace the defective product with a comparable new product or repair the defective product. This express warranty shall be inapplicable to any product not properly installed and properly used by the purchaser-user, or to any product damaged or impaired by external forces. THIS IS THE EXTENT OF WARRANTIES AVAILABLE ON THIS PRODUCT. TCA LIMITED SHALL HAVE NO LIABILITY WHATSOEVER FOR CONSEQUENTIAL DAMAGES FLOWING FROM THE USE OF ANY DEFECTIVE PRODUCT OR BY REASON OF THE FAILURE OF ANY PRODUCT. TCA LIMITED SPECIFICALLY DISCLAIMS AND DISAVOWS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF DESCRIPTION, WARRANTIES OF MERCHANTABILITY, TRADE USAGE OR WARRANTIES OF TRADE USAGE.

The policy of TCA Limited is one of continual improvement in design and manufacturing to insure still finer products; therefore specifications and equipment are subject to change without notice. Product information

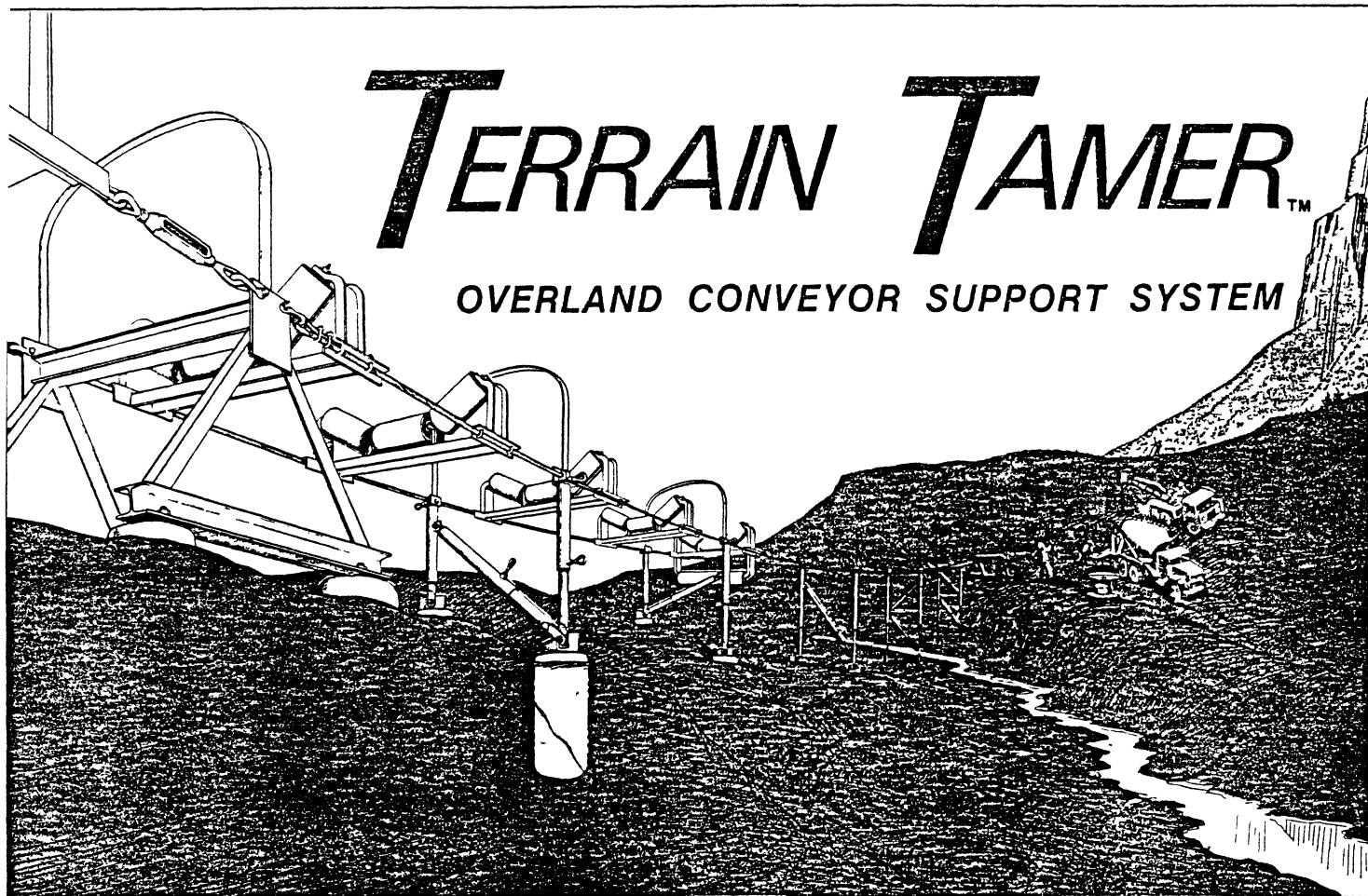
TCA[®] Limited

801-268-2579

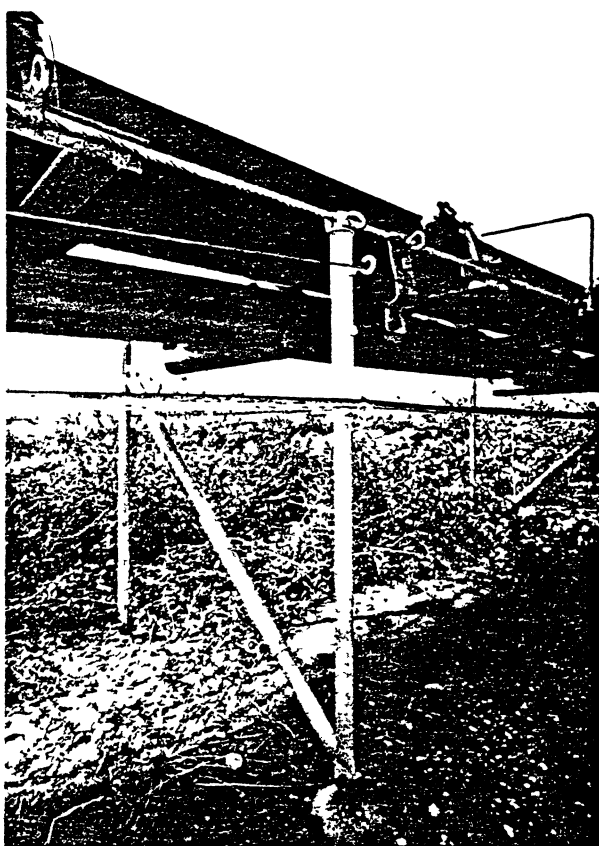
4727 Riverside Drive

Murray, Utah 84107

Introducing An Overland System That Lives Up To Its Name



The first really new concept in overland-system support in years



PEMCO Adjustable-leg Support Stands* can dramatically reduce cost and simplify installation of wire rope conveyor systems

Check these outstanding advantages:

- **Economy.** The savings in time and labor made possible by this system can slash installation costs as compared to traditional methods
- **Minimum site preparation.** Leveling or contouring of the terrain is not needed, since the supports adapt to ground irregularities.
- **Minimal environmental impact.** Existing vegetation, surface drainage and natural habitat can be left largely undisturbed.
- **Versatility.** The adjustable supports can avoid or adapt to obstacles without disturbing conveyor belt alignment. Both vertical and horizontal displacement is provided for.
- **Stability.** Diagonal braces provide rigid support regardless of slope.

*Patented

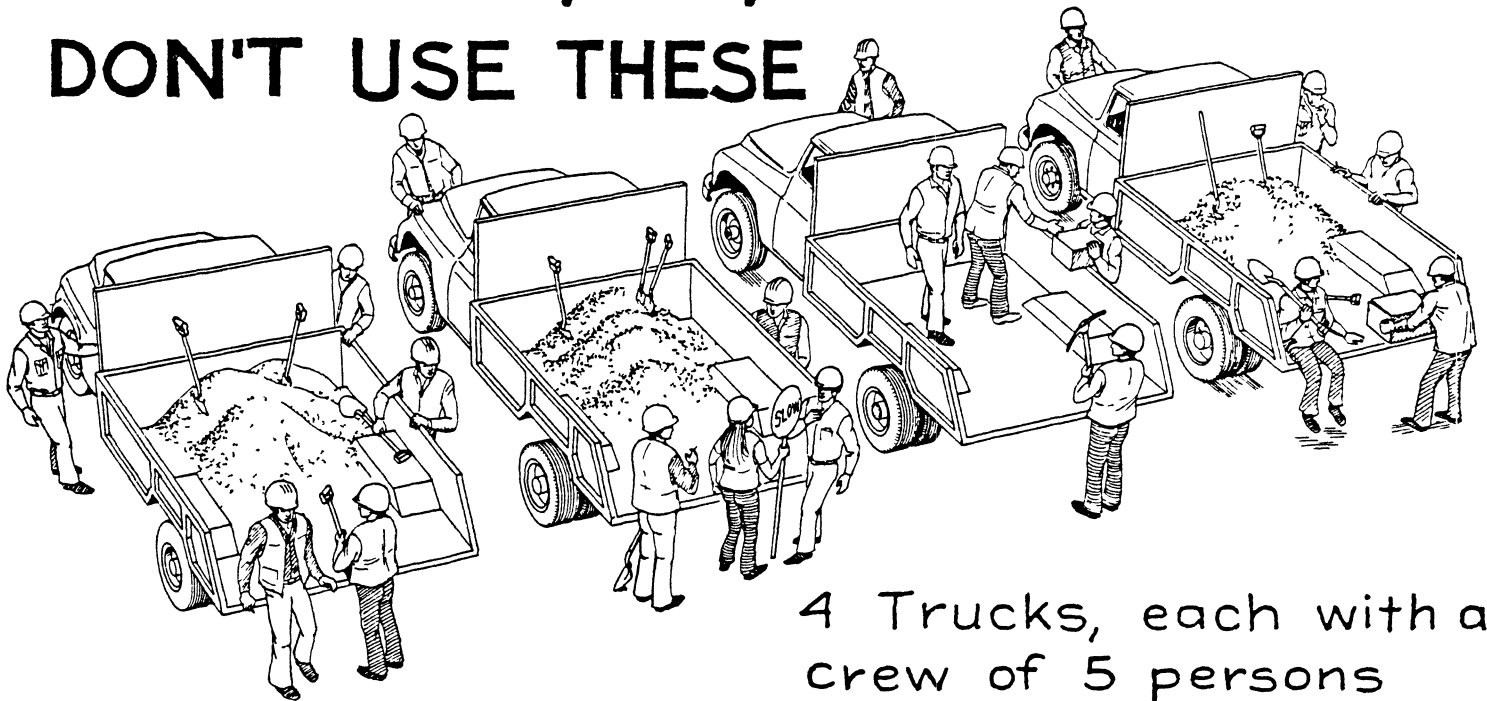


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improve road maintenance productivity by 500%

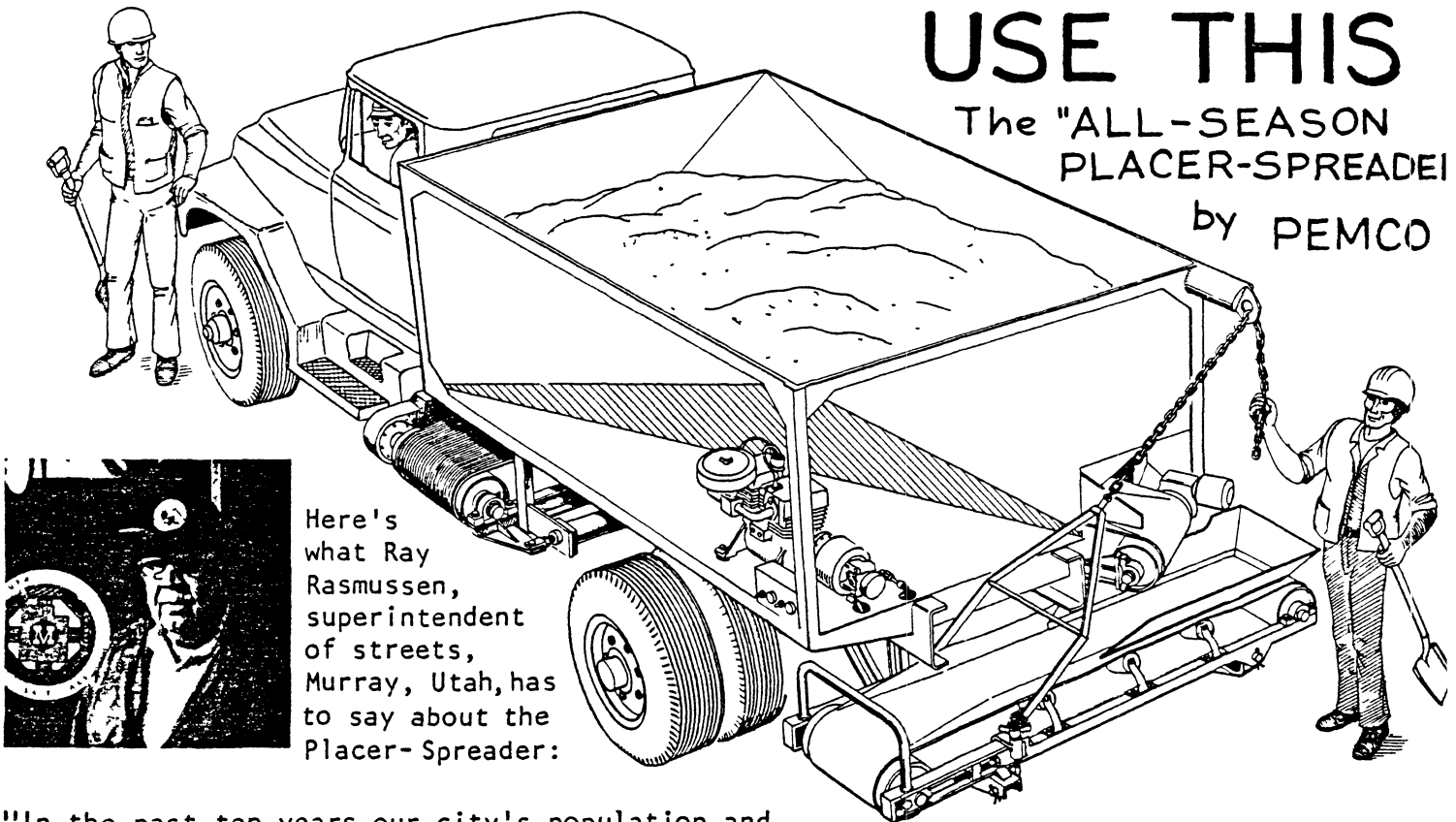
DON'T USE THESE



4 Trucks, each with a
crew of 5 persons

USE THIS

The "ALL-SEASON
PLACER-SPREADER"
by PEMCO



Here's
what Ray
Rasmussen,
superintendent
of streets,
Murray, Utah, has
to say about the
Placer-Spreader:

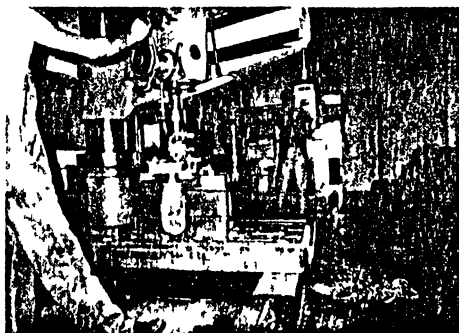
"In the past ten years our city's population and roads have increased substantially. Yet, today I have less personnel to maintain this growing city than I had ten years ago. We have had to become efficient. With our spreader and a crew of three men, I can repair more road cuts and build up more road shoulders in half a day than a regular truck and crew of five men can do in two days. This piece of equipment

pemco
PRODUCT ENGINEERING
AND MANUFACTURING CO.

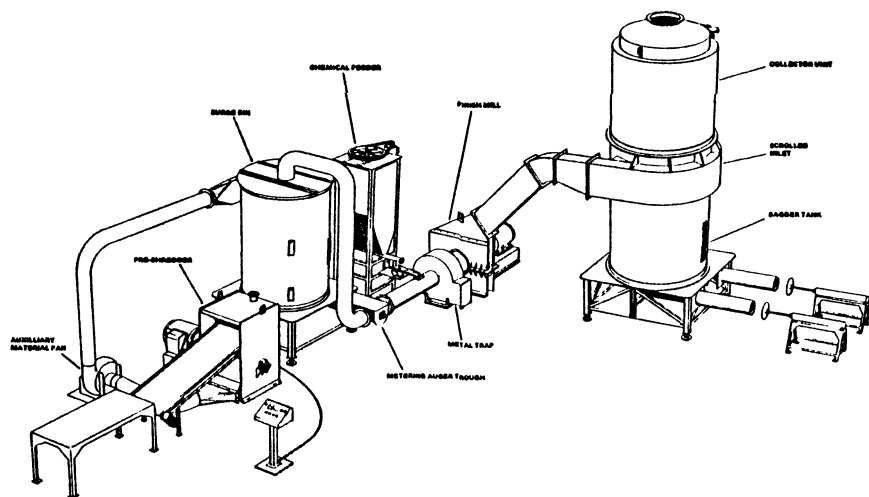
PEMCO's engineering expertise and manufacturing experience go into every System 5000 plant sold. Our extensive fabrication and machine shop facilities allow us to produce custom plant designs to suit individual needs, as well as provide prompt in-field service or modifications.



Fabrication Shop



Machine Shop

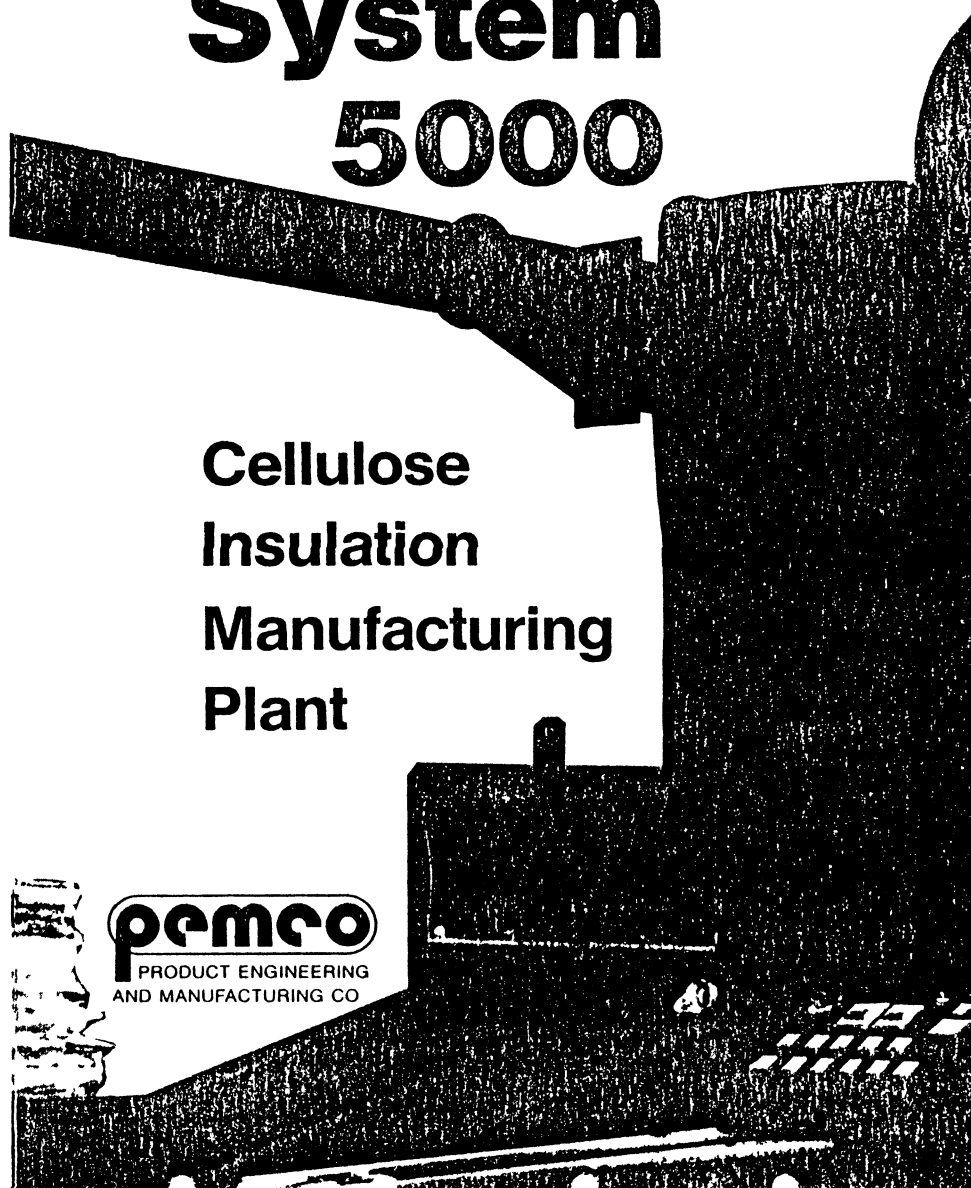


PRODUCT ENGINEERING AND MANUFACTURING CO
4727 SOUTH RIVERSIDE DRIVE MURRAY UTAH 84107
PHONE 801-268 2577

System 5000

Cellulose Insulation Manufacturing Plant

pemco
PRODUCT ENGINEERING
AND MANUFACTURING CO



System 5000 - The Ultimate In Rugged Dependability And Product Quality Control

MILL SYSTEM A two-mill system is essential for product quality and sustained high-volume production. Raw material is first reduced to a uniform and manageable size in the Pre-shredder. This is then fed into the Surge Bin from which it can be metered at a constant rate into the Finish Mill, regardless of variations or interruptions in raw material feed. Due to this, the Finish Mill produces a much finer and superior product. In addition, chemical fire retardants can be added with the cellulose fibers much more thoroughly and consistently than with any single mill. Truly high production can be achieved and maintained, since the work is divided between two mills.

METERED CHEMICAL INPUT A variable speed metering screw feeds precisely the right amount of fire-retardant chemical into the pre-shredded material, just before it enters the Finish Mill. The chemical feed rate is directly linked to the material feed rate to assure consistent production. Most important, an optical monitor guarantees that chemical is being added constantly during production. Any interruption in chemical flow sounds an alarm and shuts down the mills. This feature is essential in meeting Federal Specification HHI-515-D and other state and local codes.

CHOICE OF BAGGERS Insulation produced in bulk for the high-volume contractor is best packaged in economical, cylindrical plastic bags, which, in addition to economy, have the added advantage of easy handling and disposal on the job site. For such bags, the auger-tube bagger is offered as standard equipment on the System 5000 plant, and is conservatively rated at 5000 lbs /hr.

On the other hand, insulation sold in retail outlets has to be attractively packaged and displayed to be competitive with other well-known types and brands. For this market, the rectangular paper or plastic bag is superior, lending itself easily to colorful bag designs and stable displays. A semi-automatic bagger for rectangular bags is available as an option at extra cost. Production rates are 4000 lbs /hr for the single-tube arrangement and 8000 lbs /hr for tandem tubes.

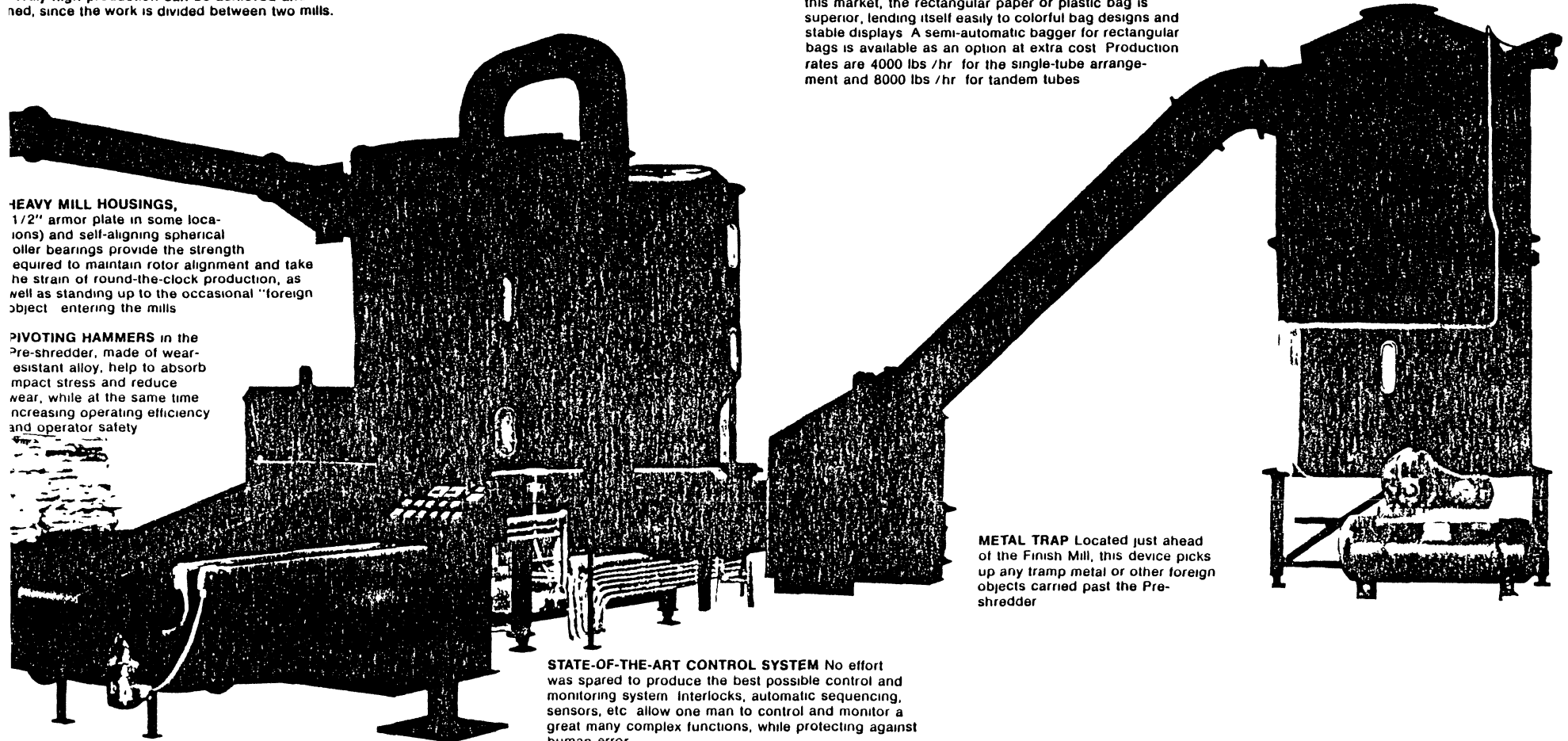
DUST COLLECTOR In these days of accelerating environmental concern and regulation, it makes good sense to design for the future. The bag-house dust collector actually exceeds air quality standards now in effect, having an efficiency of 99.9%. Bags are self-cleaning, using an automatic internal air-pulse system. With no mechanical moving parts, this collector is the ultimate in dependable, trouble-free performance.

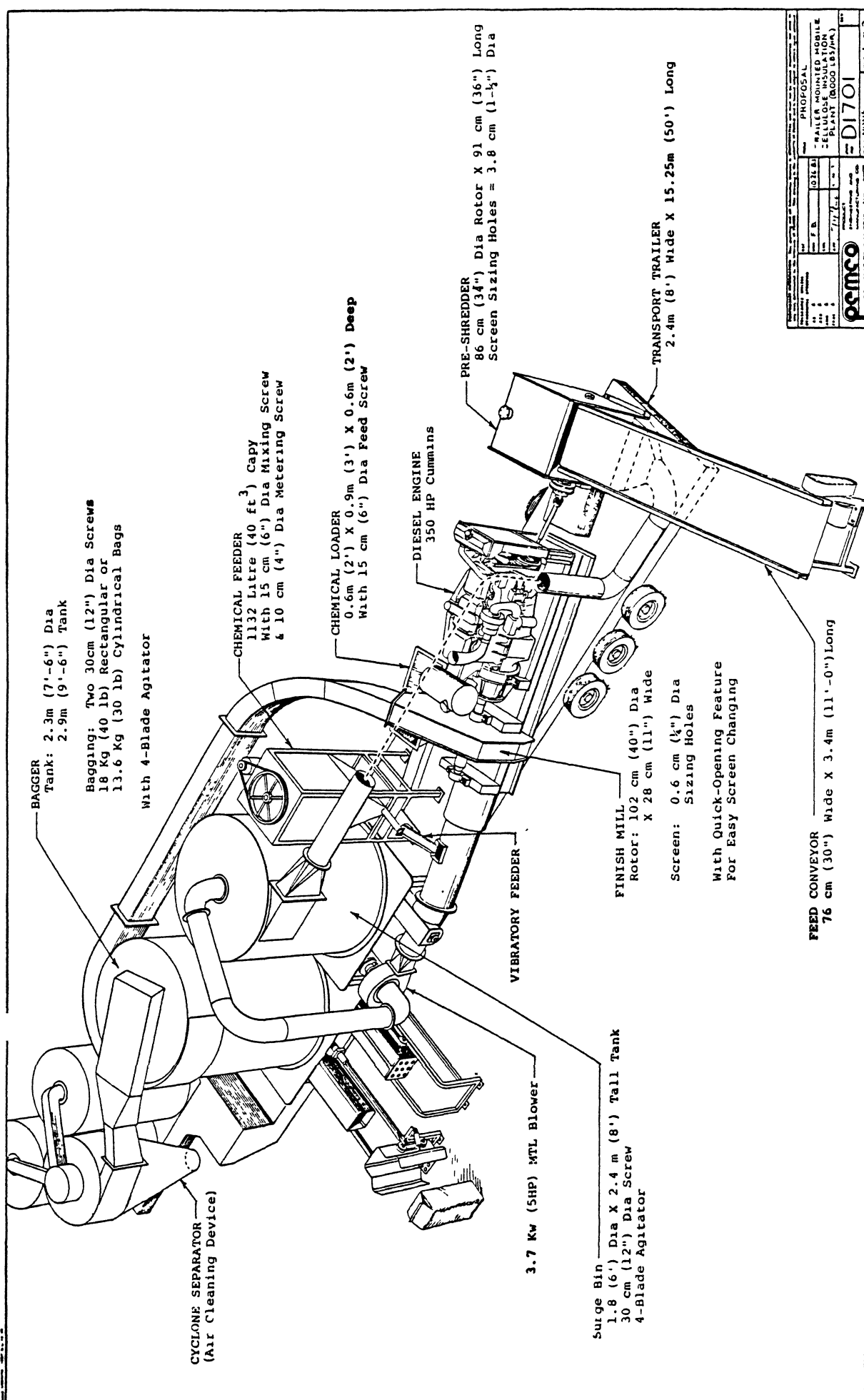
HEAVY MILL HOUSINGS, 1/2" armor plate in some locations and self-aligning spherical roller bearings provide the strength required to maintain rotor alignment and take the strain of round-the-clock production, as well as standing up to the occasional "foreign object" entering the mills.

PIVOTING HAMMERS in the Pre-shredder, made of wear-resistant alloy, help to absorb impact stress and reduce wear, while at the same time increasing operating efficiency and operator safety.

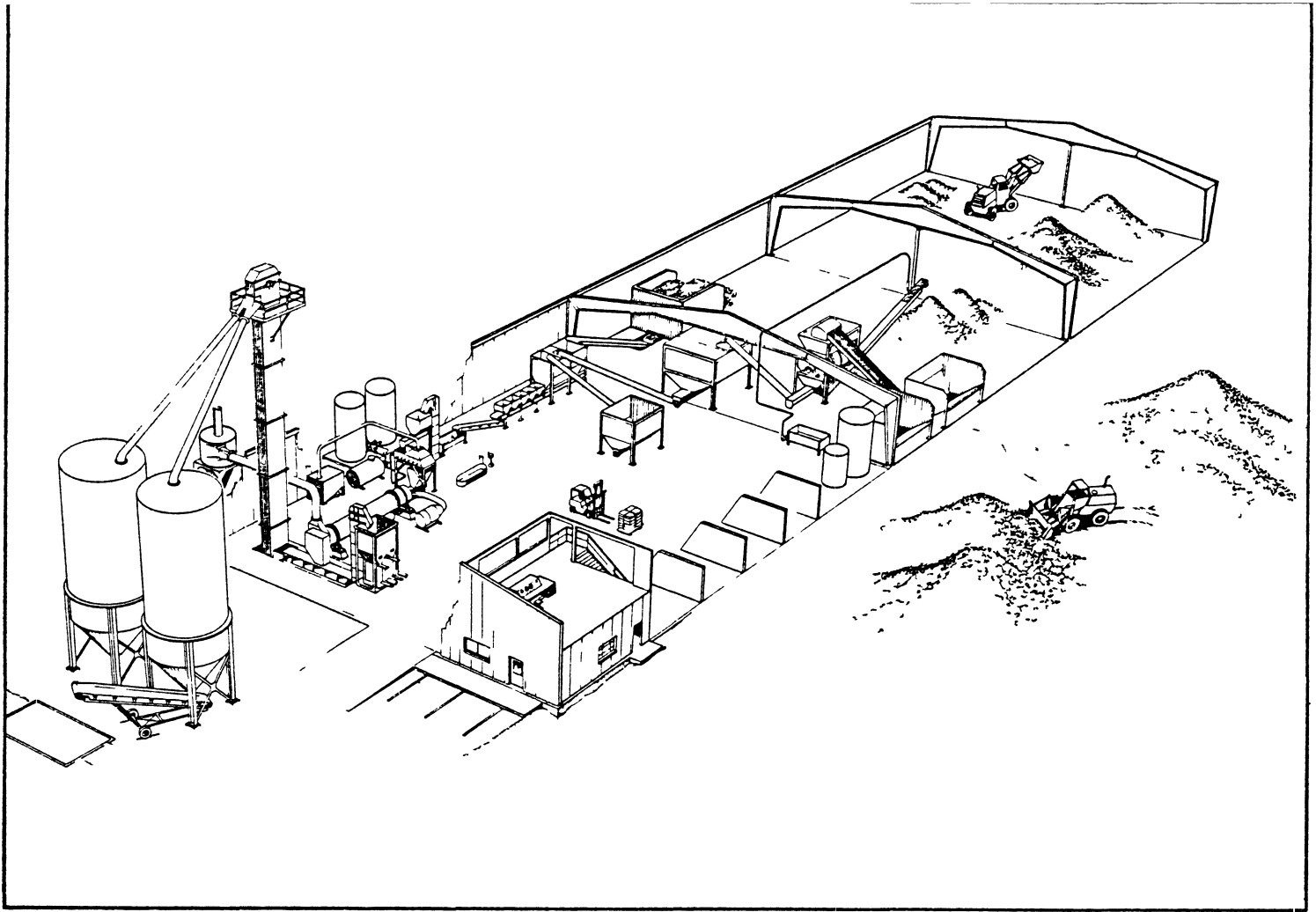
METAL TRAP Located just ahead of the Finish Mill, this device picks up any tramp metal or other foreign objects carried past the Pre-shredder.

STATE-OF-THE-ART CONTROL SYSTEM No effort was spared to produce the best possible control and monitoring system. Interlocks, automatic sequencing, sensors, etc. allow one man to control and monitor a great many complex functions, while protecting against human error.





PROPOSAL	
DATE	03/83
BY	PERMCO
FOR	PERMCO
PROJECT	PERMCO
REVISION	1
PAGE 1 OF 3	



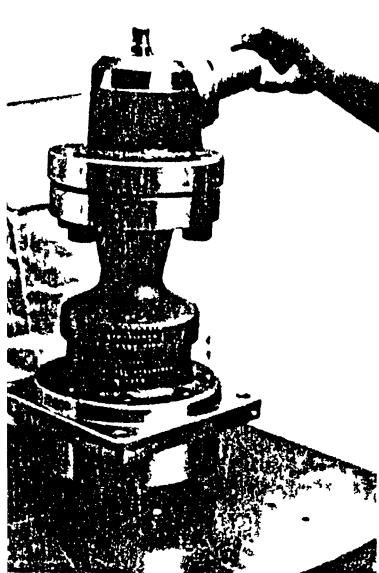
Typical 120' x 400' Plant Layout (36.6m x 122m)
Capacity: 20 Net Tons Per Hour (18.14 Metric Tons Per Hour)

We have developed an exclusive process for production of the organic-based fertilizer described in this brochure. We offer complete "turn-key" plants for the manufacture of this fertilizer in prilled, bagged form. These plants are designed in such a way that various formulations tailored to specific needs can be produced in volume. The latest computer technology is employed to control and monitor the formulation process, as well as all other plant functions.

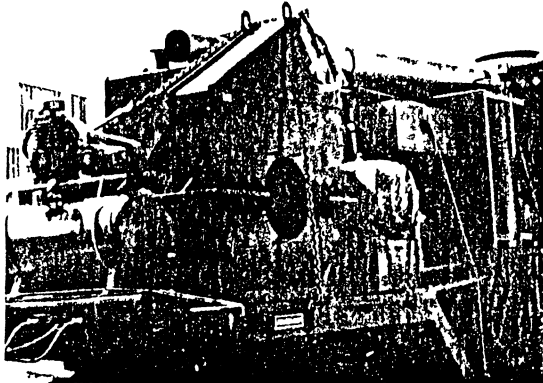
A scientific approach, from soil testing right through to the finished product, is followed to assure the optimum product for individual needs.

For more information, about the fertilizer itself or the plants to manufacture it, call or write as indicated below:

Product development from idea to manufacture



Innovations—Research in Fuel Technology



Custom Product Development
(Insulation Manufacturing Plant)



Underground Mine Cars Lowboys, Tank Cars,
Powder Cars, Drilling Platform Cars



Coal Research (Autoclave Reactors)



Equipment Trailors Tilt bed or Ramp, 3 Ton and 5 Ton

PARTIAL LIST OF CLIENTS

Contractors	Research & Special Projects
Ford Bacon & Davis	Hercules
Jeffrey Dresser	Litton
Lamb Engineering & Constr	Sperry Univac
Arthur G. McKee	Utah Research & Development
John B. Pyke	Mining Industry
Stevens Adamson	Allied Chemicals
Construction Co's	American Coal
Gibbons & Reed	American Oil
Goble Sampson	The Anaconda Company
John C. Grimberg	Brush Wellman
S. J. Groves	CMC Mining
Peter Kiewit	Emco Corporation
McNally Mtn. States Steel	Empire Energy
J. R. Simplot	FMC Corporation
Vicon Construction	Kaiser Steel
Nuclear	Kennecott Copper Corp
Catalytic Inc.	Morton Salt
E. Systems Inc.	N. L. Industries
Coal Research	Rio Algom
Carnegie Mellon Institute	Savage Brothers
Colorado State University	J. R. Simplot
Saskatchewan Power & Light	Stauffer Chemicals
University of Jordan	Southern Utah Fuel (Coastal States Energy)
University of Montana	Utah AM
University of Utah	Utah Power & Light
United States Dept. of Energy	Valley Camp Coal
	Western States Minerals (Dog Valley)



President—William D. Peterson is a registered professional engineer. He received his B.S. from the University of Utah in 1959, his M.S. in 1967, and his P.E. in 1964. His engineering design experience began with Sperry Univac from 1959 to 1966, where he was Senior Project Engineer cognizant of the design of tooling and ground support equipment for the Sargent Missile Program. He later worked for several other companies in similar design assignments. In 1970, he established his own Engineering Consulting Firm, Wm. D. Peterson and Associates. The firm is known internationally for its design and manufacturing services associated with energy research. Currently, through PEMCO, Wm. D. Peterson and Associates designs and manufactures liquid fuel components and systems for use all over the world.

FACILITIES AND TOOLS

Machining		Fabrication	
Lathes	48" swing x 18'—Cabe 36" swing x 10'—Summit 24" swing x 8'—Graziano (Two each) 6" to 16" swing—Monarch etc. (Five each)	Shears	3/8" x 10'—Cincinnati
		Press Brakes	400 ton x 14'—Steelweld 8" to 3"—Chicago (Two)
		Burning	Pattern Burner Miscellaneous Burners
Mills	Vertical 16' x 75" table—Pedersen Horizontal/Vertical 13' x 61" table—Simpson Horizontal 12' x 53" table—Cincinnati Numerically Controlled Bridgeport (Two each) Standard Bridgeport (Two each)	Saws	Automatic 12' x 15'—Johnson 11' x 16'—Wells 16"—Dewalt 14"—Powmatic 9"—Roll in 7' x 9'—Jet
Drills	48" Arm x 3"—Drill Dia.—Ooya 15" x 1/2"—Drill Dia.—Rockwell (Six each)	Iron Worker	50 Ton Metal Muncher
Grinding	Centerless—Cincinnati Surface—Brown & Sharp O.D.—Landis	Presses	80 Ton Hydraulic (Three) Portable (Two)
		Punches	40 Ton Metal Muncher 20 Ton Whitney
Inspection		Welders	TIG Heliarc—Miller (Two) MIG 300 to 600 Amp—Short Arc Stick Welders 400 Amp—Miller (Twelve) Stud Welders—Omark
Surface Block	3' x 6'—Mojave	Cranes	5 Ton Bridge Cranes (Five each)
Micrometers	0" to 24" O.D. 1" to 12" I.D.	Miscellaneous	Magnetic Drills Painting Facility Mobile Crane 12 ton Mobile Crane Kenworth tractor trailer
Other	Calipers Thread Standards Indicators Standard Blocks etc. Inspection tool standards are traceable to the National Bureau of Standards and are certified for nuclear inspection. Quality control system meets MIL 145208.		

25,200,000 law suit againsts ARGEE corp for shipping costs
Union Pacific and Western Pacific rail roads, March 6, 1987

DESERET NEWS, FRIDAY, MARCH 6, 1987 A 7

rail lines hired to move tailings sue contractor

Jeff Hunt
Utah News Staff writer

Union and Western Pacific rail companies claim that the contractor that hired them to remove 4 million tons of Vitro uranium tailings violated federal and state shipping laws by under-reporting weights and defrauding them \$21.9 million.

The rail lines filed suit Thursday in District Court, seeking payment of \$2 million as well as \$1.3 million in punitive damages for alleged violations of the state and federal racketeer, Influence, and Corruption acts.

The rail companies are suing Argee Corp., an Iowa company contracted by the state to relocate the uranium mill tailings from the former Vitro Co. processing site at 33rd South and Ninth West.

The tailings were transported from the Vitro site to Clive, Tooele County, between June 1985 and November 1986.

The rail lines claim that Argee defrauded them by representing the net tonnage of transported tailings as 3.5 million tons, when it knew the amount to be more than 4 million tons.

"Defendant Argee was aware in mid-summer, 1985 that the moisture content of the uranium tailings was

significantly greater than anticipated and would increase accordingly the total tonnage transported by (the rail lines)," the suit says.

In the fall of 1985, Argee sought an additional \$3 million from the state to cover the extra transportation costs caused by the added weight, but this information was concealed from the rail companies, and the money was not passed along, the suit says.

The actual tonnage hauled by the railroad companies was determined by state soil samples taken from each shipment at its destination in Clive, the suit says.

The difference between actual and reported weight of the tailings result-

ed in actual damages of \$2 million to the railroads, based on the ton rate provisions in the agreement between Western Pacific and Argee, the suit says.

The rail companies claim that Argee violated federal and state RICO statutes by committing numerous wire and mail fraud violations and making "repetitive misrepresentations" of the net tonnage of transported tailings.

The suit also claims that Argee breached a contract with Western Pacific by failing to pay \$1.3 million after the relocation was completed Nov. 25, 1986. Argee also failed to decontaminate, as required, 256 rail cars

used to transport the tailings.

The rail cars are in storage on Western Pacific and Union Pacific tracks at various locations between Salt Lake City and Clive, the suit says. The storage costs about \$5 per day per car, the suit says.

Argee was negligent in overloading a number of cars, leading to three derailments and leaving several cars unfit for use, the suit claims.

Also named as defendants in the suit are Seaboard Surety Co., New York, and St. Paul Fire and Marine Insurance Co., Minnesota. The companies were co-sureties on a performance and payment bond Argee delivered to the state, the suit says.

Deficit Recovery Institute

OFFICIAL ORGANIZATION FOR DEFICIT RECOVERY

Research, Analysis, & Teaching Deficit Solutions

DRI Foundation
1989

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Dear President Clinton:

On the deficit, you offered to hear alternatives to your economic plan. Please consider this.

INTRODUCTION

I modeled the macro-economy of our nation. I started by compounding together transactions between individuals, companies, government agencies etc. It became huge and cumbersome. Common influences in the economy led to grouping all transacting entities into eleven headings. With all subjects accounted for, simultaneous equations for a balanced economy were made. A conclusive understanding of the cause and effects of deficit and its solution were obtained.

EXECUTIVE SUMMARY

My studies show that the nation's federal deficit occurs consequential to the nation's imbalance of trade. The U.S. exports its working capital for depreciating and expendable commodities. We wind up with junk and they have our currency. With our working capital exported, the nation cannot tax itself which then forces our government to borrow. As a consequence of many years of not producing for our own consumption, the Pacific Rim and Europe are wealthy. Our nation, individually and nationally, is cash poor. International trade must be put into balance to keep our working capital home. The nation must produce equal to as much as it consumes. We cannot balance trade by increasing exports. It is not reasonable expect foreign life styles to change and their consumption to increase to balance our nations consumption.

Declaring economic war upon the world is a futile admission of our failure to govern ourselves. My model teaches that with trade in balance, increased government spending generates enterprise which generates cash flow which generates taxes which retires deficit. My economic plan includes monitoring of coin and its movement such that deficit will retire by a schedule. My economic plan makes a work position for all capable persons which will relieve class tensions and crime.

My studies show that the government's present course of optimizing and reductions of force will accelerate deficit. Our governments deficit spending has been a compensation for the public's trade imbalance. A balanced federal budget without first bringing back the nation's production for itself will ruin the national economy.

Our nation's populace of inflicted and unemployed is clearly the fault of the congress. Our nation's Constitution requires the Congress to control run away international commerce by its control of the nation's coin.

MODEL'S PERCEPTION OF THE ECONOMY

Having the outcome of the model, I now simply view that all of the nation's macro-economic participants naturally fall in one of two headings, - the production sector or the service sector.

I define the production sector as any entity involved in the making of matter of tradeable value. The production sector is divided into four groups - resource recovery, manufacturing, distribution and sales and technology. Resource recovery is the most basic and essential group of the production sector. Resource recovery includes the entities of farming, mining, fisheries, timber, and less tangible resources of screen, arts, writers, and inventors. The manufacturing sector of the production sector converts harvested resources into products. The distribution and sales group of the production sector converts resource items into currency. The fourth group, technical services or the scientific community provides the production sector with technology to make the production sector work.

All other individuals and entities are perceived as a part of the service sector. By definition, subjects of the service sector do not produce commodities of re-saleable value. Typical examples are medical, legal, education, and service repair work that corrects problems or improves conditions. The resale of items previously sold are considered service. The public sale of entertainment and recreations are viewed as service. For example, in value, a skier at the top of the mountain has no more marketable value than when he is at the bottom. Service sector cash flow redistributes currency and the taxing of transactions for services account for a most prominent government tax source.

Government is a service. Our military, regulatory, judiciary, all civil servants are of the service sector. Within this matter's deliberation, the unemployed, both those who are paid by the government, and those otherwise without any income, are part of the service sector. Criminals, either in or out of institutions are by our definition subjects of the service sector. In this study, it would be unfair not to consider every individual. This treatise is done to develop a community economic system for the economic association of all its citizens.

PETERSON'S CONTENTIONS

Peterson's model teaches fundamental rules as follows:

1. A society must have productive entities that, in each part, on every level, and in total, must produce as much as what its societies consume. Examples are that a family's income must exceed its expenditures. A business's income from its sales must exceed its cost of production. A nation's production and export must exceed its consumption and import. i.e. Our nation must have export excesses; typically, farm production and machinery export must exceed the nation's fundamental import, its demand for oil.

2. Every entity must be economically balanced. Because an imported product is cheaper or better, is no excuse to justify its import. A family must do for itself where it has not monies to purchase something, no matter how good a deal may be. A company must practice to purchase no more stock and hire no more workers in excess of its monies from sales. A nation cannot continue to send its monies abroad and hire foreigners to do its work without deficit.

3. Deficit and imbalance of trade will be found to be proportional and equal.

4. A society's service entities exist by virtue of their need by the production entities. Both entities consume foods and goods, but by the model's definitions only production entities produce; thus, a service society, by itself, cannot sustain itself.

5. With the production entities producing the consumption of the society, its foods, goods, and betterment, all of the balance of the working society must work doing services. The alternative is their unemployment. The unemployed are categorized as a segment of the service sector.

6. The entire service sector must be viewed unproductive, and inefficient relative to contributing to the economy to retire deficit. To be otherwise, it must transfer to the production sector. As such, note a congressman is no more valuable to the economy as is his aid, or the fellow who shines the aid's shoes. Optimization of government services may only take a worker in the service sector and make of him unemployed, still in the service sector.

7. The abundance of the service ratio in comparison to the extent production sector is, to a degree, somewhat irrelevant. What matters is that the production sector is sufficient to meet the requirements of the physical needs of both sectors or the total economy. As efficiency of production increases, less production workers are required.

With an increasing population, more people are thus shifted into the service segment.

8. No matter how large the service sector may get, compared to the production sector, as long as the production sector produces for all the needs of both sectors, a sound positive economy is achievable.

9. The federal government is a service entity, it is not a production entity. Note, not being a production entity, the rules of a production entity do not apply.

10. The federal government can expect to be able to take revenues in excess of its spending if it properly legislates its constituents. For example,

11. Monies from resource recovery, or likewise wages paid by the government should be expected to move seven times. Taxed 20% with each move, 140% is returned to the government. The present problem with our massive imbalance of trade, monies are moving only around three times then wind up being abroad. This will not work.

12. The system has been severely abused. For example, a previous plant manager of major computer company told of importing computers without case covers. Since the imported items were unfinished sub-assemblies, they were imported without import taxes. On a smaller scale, a local basket importer has products made abroad. He sets up his foreign agency which he buys from for what he sells for here. Every few months he flies abroad and returns with \$25,000 cash, no questions asked, avoiding all taxes.

13. The federal government is the entity which makes the balance of the above economic and work force requirements in (1) above. Deficiencies in national production or imbalance in trade are made up by deficit borrowing. Unemployment is remedied by paying care cost or unemployment incomes.

14. The federal government is responsible for the monetary systems for the operation of the economy per (1) above.

15. The cash flow in the economy is taxed for revenues for the federal government.

16. It is the responsibility of the congress for the coining of money for the operation of the nation's economy and to regulate international exchange.

17. The model teaches that cash flow in the national economy makes value in the

economy and its taxation brings value into the government which will bring recovery to the nation's deficit.

18. Other nations and societies must also operate their own economies on the same basis as described here.

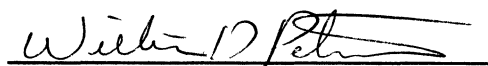
19. At no sacrifice to deficit, the United States can give aid to other nations by giving U.S. credit for U.S. products and services, or give them direct. Monetary aid that can be spent for foreign goods and services will produce deficit.

I have an M.S. degree in operations research. I believe that I am qualified to do this work of modeling and analyzing the economy. It took a year and one half to first model the economy. Since 1989 I have been trying to get others to understand our situation.

We shook hands here in Salt Lake as you departed the Salt Palace after your talk to the National Guard. I had information to give to you then, but your staff ask that I mail it to you, which I did. Senator Orrin Hatch informed me that he also wrote to you and forwarded information of my studies for you. I still have received no reply.

I wrote to all of the Presidential candidates. Senator George McGovern was the only candidate I spoke directly with. I have written to only a fraction of the Congress. I appreciate your offer to listen to other economic recovery plans. I have formatted a sure-fire way of initiating what I have herein purposed. I hope you will consider what I have herein written.

Sincerely yours,



William D. Peterson, M.S.
Operations Research Engineer
founder - DEFICIT RECOVERY INSTITUTE